

JPRS 80408

25 March 1982

Latin America Report

No. 2470



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

25 March 1982

LATIN AMERICA REPORT

No. 2470

CONTENTS

ENERGY ECONOMIC

ARGENTINA

Present Oil Situation, Proposed Bill Assessed (LA NACION, 26 Feb 82)	1
Deregulation Proposed Decline Blamed on Contractors	

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

Nicaraguan Official on Colombian Islands (Managua Radio Sandino, 12 Mar 82)	9
Briefs	
'Sandino' Criticizes 'Zionists' Training	10
Venezuelan Message to Nicaraguans	10

CHILE

Socioeconomic Plan Emphasizes Free Market (EL MERCURIO, 17, 18, 19 Feb 82)	11
Overview of Program New Industry Processes Simplified Land Sales Deregulated	
Peso-Dollar Ratio To Be Maintained, President Says (Victor Perez-Cotapos Rosales; EL MERCURIO, 16 Feb 82).....	16

Briefs		
Weapons Found in Canal		18
COSTA RICA		
U.S. Intervention in Nicaragua Opposed (San Jose Radio Reloj; 15 Mar 82)		19
Briefs		
Transition Problems		20
Trade With Central America		20
CUBA		
FEU, UJC Participation in Communist Studies Noted (Oscar Mederos Interview; JUVENTUD REBELDE, 4 Feb 82)		21
Marrero Scores U.S. Relations With Latin America (Juan Marrero; GRANMA, 6, 9 Feb 82)		23
Poor Year for Economies		
Caribbean Threats		
Balance of Monetary Income, Expenses Described (Hugo Garcia Figueroa; ECONOMIA Y DESARROLLO, Jul-Aug 81).		25
Sugar Industry Term 'Recovery' Explained (JUVENTUD REBELDE, 2 Feb 82)		38
EL SALVADOR		
Salvadoran Youth Movement Sets Down Aspirations (EL DIARIO DE HOY, 5 Mar 82)		39
Captured Nicaraguan Mercenary Escapes Guards (EL DIARIO DE HOY, 6 Mar 82)		41
Report on Congressional Vote for President (ACAN, 14 Mar 82).....		43
GUATEMALA		
GDR Radio Interviews Revolutionary (Voice of GDR Domestic Service, 15 Mar 82)		44
Government To Act 'Vigorously' Against Agitators (Guatemala City Radio Nuevo Mundo, 11 Mar 82)		47

Briefs		
Opposition Union Reports Threats		48
Central American Community		48
Strike Termed 'Communist Tactic'		49
HONDURAS		
Business Leader Analyzes Reagan Plan		
(SULA TIEMPO, 5 Mar 82)		50
Secretariat Reorganizes Border Commission		
(Tegucigalpa Domestic Service, 12 Mar 82)		52
Government Cancels Purchase of Mexican Oil		
(Tegucigalpa Televisora Hondurena, 10 Mar 82)		53
Sandinists Charged With Kidnappings, Murder		
(Tegucigalpa Voz de Honduras Network, 12 Mar 82)		54
Armed Forces Chief Named to Refugee Commission		
(Tegucigalpa Cadena Audio Video, 4 Mar 82)		55
Briefs		
Liberal-Labor Split		56
Leftwing to Foreign Ministry		56
Arrival of Advisers Denied		57
Radar in Fonseca Gulf Denied		57
MEXICO		
Profiles of Rising Political Personalities		
(Pablo Martinez Oaks; EL SOL DE MEXICO, 14 Feb 82)		58
PRI President Issues Anticommunism Appeal		
(Humberto Aranda; EXCELSIOR, 14 Feb 82)		60
PSUM Rejects Call for Anticommunism		
(Nidia Marin; EXCELSIOR, 14 Feb 82)		62
NICARAGUA		
PCD Supports Bishops' Statement on Miskitos		
(Managua Radio Corporacion, 7 Mar 82)		64
Reflection Meeting Participants List Recommendations		
(LA PRENSA, 24 Dec 81)		66
PCD Proposed Plan for Peace, Conciliation		
(LA PRENSA, 28 Dec 81)		69
PCD Party Opinion on Political Parties Law		
(Managua Radio Corporacion, 7 Mar 82)		71

Coordinating Board Promotes Just Parties Law (Managua Radio Corporacion, 11 Mar 82)	73
Sandino Says U.S. Promoting Tension in Area (Managua Radio Sandino Network, 12 Mar 82)	75
Rebels Detail Alleged Abuses on Atlantic Coast (Clandestine Radio, 12 Mar 82)	76
'Radio Havana' Interviews Nicaragua's Cordova Rivas (Rafael Cordova Rivas Interview; Havana International Service, 6 Mar 82)	78
PDC Leader Indicates Nation Attracting World Attention (Managua Radio Corporacion, 14 Mar 82)	80
Claims Made on Soviet, Cuban Mercenaries in Country (Clandestine Radio, 11 Mar 82)	82
FRG Minister Meets FSLN, Opposition Leaders (Managua Radio Corporacion, 12 Mar 82, Managua Radio Sandino, 13 Mar 82)	84
'Climate of Detente' Suggested Minister Concludes Visit	
Junta Explains Miskito Resettlement Program (Managua Domestic Service, 7 Mar 82)	86
'Radio Catolica' Disavows Former Priest's Remarks (LA PRENSA, 27 Feb 82)	89
'Radio Sandino' Against U.S. Base in Honduras (Managua Radio Sandino, 6 Mar 82)	90
Briefs	
Small Industry Production	92
'LA PRENSA' Admonished	92
Cuban, Soviet Mercenaries	92
Yugoslavia Donation	92
Stations Silenced on Rationing	93
Private Sector Role	93
Fleeing to Guatemala	94
Leaders Deny CIA Aid	94
Opposition Leaders Threatened	94
U.S. Book Donation	95
Aggression Attempts	95

PANAMA

Official Party Hails National Guard Changes (CRITICA, 5 Mar 82)	96
Authorities Approve Electoral Law Amendments (Antonio Collins; MATUTINO, 4 Mar 82).....	97
Foreign Minister Backs Canal Workers' Demands (Panama City Televisora Nacional, 8 Mar 82).....	99

PERU

Interior Minister on Ayacucho Attack, Death Sentence (TELAM, 8 Mar 82, AFP, 23 Feb 82)	101
Attack on Prison Death Sentence	
Terrorist Activities Continue To Escalate (Various sources, various dates)	103
Prisoners Killed	
Police Station Bombed	
Terrorist Attacks	
Shining Path Terrorist Captured	
Alleged Terrorists Killed	
Police Post Attacked	
Subversive Group Captured	
Briefs	
Balance of Payments Deficit	106
Bank Reserves	106
New Air Force Planes	106
Belaunde Accepts Health Minister's Resignation	106
Foreign Ministry Under Secretary Resigns	106
New Foreign Ministry Under Secretary	107
Crisis in Trotskyite Group	107
Regional Arms Race Opposed	107

PRESENT OIL SITUATION, PROPOSED BILL ASSESSED

Deregulation Proposed

Buenos Aires LA NACION in Spanish 26 Feb 82 p 10

[Text] The bill on the exploration, exploitation, refining, and sale of liquid and gaseous hydrocarbons substantially modifies the present regulations. As LA NACION had anticipated in its edition 2 days ago, the bill calls for widespread deregulation, facilitating the entry of new companies, either domestic or foreign, in these activities, and eliminating restrictions which cause serious distortions in the relative prices of fuels. The message accompanying the bill cites a number of examples, such as:

- a. In the case of fuel oil, "it has been profitable to import petroleum in order to export this derivative, merely because of the existence of discretionary prices."
- b. There is an excessive refining capacity for heavy derivatives.
- c. The differential tax structure makes these derivatives cheaper, providing artificial incentives for their consumption. This in turn stimulates self-generation of electricity.

According to the document, "our existing legislation has caused an overconsumption and waste of energy, and an inefficient, underdeveloped, and too state-controlled production of hydrocarbons."

Deregulation, But with Oilfields Still Owned by the Federal Government

The first deregulatory measure is in the area of prices, which are being decontrolled in all phases of production, refining, and

distribution. Also being eliminated are all restrictions on the free entry of private firms interested in oil and gas. In order to encourage competition, the import and export of hydrocarbons are also being completely deregulated.

But all this does not mean that the ownership of the oilfields will be taken away from the federal government; rather, their present status will continue. According to the Civil Code and the Mining Code, the mines belong to the nation or to the provinces, depending on their location. But when the centralizing trend began, law 14.773 took away from the provinces all their hydrocarbons, whether liquid, gaseous, or solid (coal). Law 17.319 returned coal to the provinces, but maintained federal ownership of oil and gas, a system which the present bill maintains.

Less Gasoline for More Cars

In Argentina cars are much more expensive than in other countries with automotive industries, but gasoline is cheaper. Based on the new hydrocarbons bill, it is possible that the price of gasoline and diesel fuel may rise, but in exchange, it is certain that the price of cars would decline markedly, because of the elimination of some taxes, provided in this bill. In fact, if the bill is passed, the National Highway Fund would be eliminated, along with its corresponding tax, and that portion of the domestic tax on vehicles and motors would be changed to a level similar to that of other durable goods.

The New ONH [National Hydrocarbons Organization] and YPF [Government Oil Deposits]

The bill establishes the ONH, which is to be made up of the Ministries of the Economy, Public Works and Services, and the Interior. The functions of the ONH are: to advise on the amount of taxes and minimum rates, to propose bidding procedures, their guidelines, areas, dates, and awarding of bids; to monitor compliance of concession holders with their obligations, etc. The law mentions YPF only in passing. Apparently the state firm will have to compete for areas on an equal basis with private firms, either national or foreign, unless the privatization policy determines another fate for YPF.

Concessions

According to this bill, Argentina will grant exploration concessions of up to 5 years in areas where there are no fields with already measured reserves. Concessions will be granted

through an international bidding process, and will be awarded to the applicant who will agree to operate on a smaller area, for a period between 10 and 20 years. The concession holders may dispose freely of any oil and gas extracted. This provision abolishes the present system, in which all hydrocarbons had to be turned over to YPF.

Deposits with already measured reserves will be handled through an international bidding process, for the same period of 10 to 20 years, and will be granted to the applicant who pays the best rate.

Tax System

The present tax structure which applies differential rates to each derivative (and thus encourages the adulteration of heavily taxed products with others that are taxed at lower rates) is to be replaced, according to this bill, by an "energy conservation tax" which will be a single tax and will be applied to all the petroleum extracted, and to gas, including any gas that is vented. This would discourage the present practice of venting (dispersing into the atmosphere or burning gas) that wastes over 20 percent of the gas extracted. The tax will be a proportion of the international price of crude petroleum. On gas it will be applied in an amount determined to be at the same caloric output as petroleum.

This tax will be distributed as follows: 70 percent will go to the Federal Coparticipation System, and only 30 percent will go to the producing provinces.

The second tax is the fee that will have to be paid by concession holders in areas with already measured reserves. The tax will go exclusively to the federal government, as it is the owner of these lands, and will become part of the state's general revenues.

The bill also provides for a third tax "for financing highway projects." This tax will be applied to sales of gasoline and diesel fuel and would be a percentage no greater than 25 percent of the tank value in the refinery, which will be determined on an annual basis by the executive branch. Its revenues will be divided between the nation (National Highway System), according to a percentage to be set annually by the national government, with the balance to be distributed among the provinces, based on their proportional consumption of these products.

Present Contractors

The present (and unhappy) holders of exploration and development contracts may choose to rescind their contracts, although they will be required to continue their operations for up to 3 more years.

The bill, which was drafted by the Ministry of Economic is now being studied by public works and services.

The Crisis in our Present Oil System

The decline in crude extracted in January 1982--which was a 2.7 percent drop in relation to the same month in 1981--can not be simply a matter of coincidence, since the present system has persisted after the change in government, which has delayed making a decision to redraft the agreements with private oil companies.

Assuming that conditions do not change, we can expect for the current year a decline in production that may reach 10 percent, and certainly for this month another decline of the same magnitude as the decline in January, according to the sources we consulted.

The importance of our contractors in terms of the amount of crude extracted can be measured when we realize that it is equivalent to 36 percent of the nation's total; this is the result of a process which began in 1977.

Although signs of a slowdown in petroleum production go back to a year ago, it was in December 1981 and January 1982 that these signs became most alarming. This decline was caused essentially by the fact that the YPF contractors produced less than usual, for they normally produce over a third of Argentina's petroleum. The paralysis in private investments in this sector (fewer wells drilled) is linked to the uncertainty about the talks with the authorities on raising the price. This has been going on for over a year now. LA NACION spoke with some members of YPF's contracting firms, who described this situation and the prospects of the industry, giving us the picture that follows. We should make it clear that none of the persons interviewed was willing to be identified.

Importance of the Contracts

Development contracts enabled us to increase our production of crude by 9.92 percent in 1977, so we could again achieve the 1972 levels. This laid the foundations for an expansion as indicated by the 4.82 percent increase in 1978, the 4.49 percent increase in 1979, and the 4.12 percent increase in 1980. However, in 1981, when the rate of growth was only 0.85 percent, the public became aware of the existence of disagreements between YPF and its contractors.

Using private statistics, we can observe the causes of the slowdown and then the decline in extraction which, between January 1981 and January 1982 led to a drop in crude production (using daily monthly averages) of 3.06 percent, as a result of the lesser production by YPF (down 2.72 percent), and by the contractors (down 3.67 percent).

By comparing January 1982 with December 1981, we find that the total declined by 1.45 percent, with YPF's production declining 0.74 percent and the contractors' production declining by 2.71 percent.

The decline in the contractors' activity (still based on these private statistics) can be determined by observing well drilling in recent years. In the case of the contractors, the number of wells drilled dropped from 247 wells in 1977 to 155 drilled in 1981, following an uninterrupted downward slide. If we observe the work of the development contractors, they drilled 239 wells in 1980 and 154 wells in 1981.

"As the volume produced is a direct result of past drilling, we can see the origin of this decline, since," according to the contractors, "the natural decline in old wells has not been offset by the development of new wells."

Prices

"The decline in production results from decreased drilling activity," said an oil company representative, indicating that "the main cause is the uncertainty about crude prices to be paid to the contractors. If they want to get a lot of petroleum, they will have to pay higher prices to encourage investment. There are two variables in the contracts, price and quantity. The state should leave only one variable. But now, both variables have been left unsettled."

"Also, with better prices, we could bring back into production wells that have been abandoned because of their low output."

Concerning the talks for the renegotiation of some contracts (over 30), it is often said that "if YPF sets higher prices, this will mean an increase in its own debt. Of course, if we reason in this way, we forget that the lower present and future production will force YPF to turn to the external oil market and to pay international prices, perhaps even higher than the prices it is unwilling to pay its own contractors today."

When asked about what the oil industry wants in terms of prices, this spokesman answered: "a price ranging between 50 and 75 percent of the international price (\$200 per cubic meter)." With an average price of \$120 per cubic meter paid to all the contractors, he said, "the problem could be solved."

Prospects

"The solution," said another person interviewed, "is to set a clear objective for the state oil company, making it just one more competitor, instead of being both judge and claimant in the suit. Furthermore, I agree that the entire system should be changed, but we should not lose sight of the time factor. This means that investment is paralyzed now because YPF has been limited by budget restrictions. This situation," he said, "is not the fault of our present government authorities, since we have been talking about these contracts for over a year. Three of these contracts have been accepted by YPF and are now in the hands of the department of energy. There are a total of nine secondary recovery contracts which demand immediate solutions."

Ownership of the Subsoil

On the subject of mid and long-term solutions, this businessman said: "I think that its ownership of the subsoil has been the factor that has made the United States great, but this is the result of many years and of broad educational efforts, as well as specialization by the oil companies, which have departments whose job is to negotiate with the owners of the surface land."

"In Argentina this would be an extremely complex task, and we would have to begin by determining who the owner is. I think we can find ways of doing this that will enable us to achieve results similar to those of the United States."

Decline Blamed on Contractors

Buenos Aires LA NACION in Spanish 26 Feb 82 p 5

[Text] "The decline in petroleum extracted is a result of the decline in production by YPF's contractors, because of problems with the contract renegotiations," the undersecretary for fuels, engineer Ruggero Emilio Salvador Scalisi, told LA NACION. He added: "Now we are studying the situation in order to determine how and with whom these contracts should be renegotiated, because the contractors are asking for higher prices."

Scalisi then added that YPF has already approved three secondary recovery contracts, which are now in the hands of the Secretariat of Energy. These contracts are for the fields of El Cordón, Piedra Clavada, and Medanito, which are operated by Bidas y Perez. He said that another six contracts are also under study, but "the decline in extraction comes from the majority of the contracts, amounting to over 30, and not just from these nine."

Decline Offset by YPF

Scalisi then said that "even though the decline in production from the contractors has been offset by YPF, the state oil company has not been able to neutralize the natural decline in production from older wells."

Asked about when decisions would be made about the contracts, he said: "When we open up new areas for bids, that decision will have to have been made, and that should happen in about 4 months. The problem lies," he continued, "in the fact that YPF is getting \$58 per cubic meter for its crude, and if it decides to import crude, the state would pay the difference between that price and the \$300 CIF paid for foreign crude. For that reason, YPF would prefer to import rather than raise the price that it pays its contractors for crude (which is also about \$58 per cubic meter)."

Mr Scalisi then said that "if YPF renegotiates contracts at higher prices, it will disrupt its own economic and financial equilibrium." So the only solution, in his view, is to redefine the price of crude that is paid to the state oil company, which would then be able to raise the price that it pays to its contractors.

The official then mentioned the issue of offshore exploration, saying that there are still no production wells and it will be a matter of years before the reserves found can be used. These reserves seem to be particularly rich in natural gas.

For this reason, he added in closing, even though the contractors may have understood that there are some necessary corrections to be made in the contracts they have signed, any negotiations on this issue will have to be postponed.

The contractors' views on these contract renegotiations may be read on page 10, where there also appears a report on the new hydrocarbons bill.

7679

CSO: 3010/990

NICARAGUAN OFFICIAL ON COLOMBIAN ISLANDS

PA131620 Managua Radio Sandino in Spanish 1800 GMT 12 Mar 82

[Text] Costa Rica's ratification of a treaty that acknowledges Colombia's sovereignty over the Nicaraguan islands of San Andres and Providencia legitimizes the illegal Colombian presence off Nicaragua's coast. This statement was made today by Augusto Zamora, legal department official of the Nicaraguan Foreign Ministry.

As Radio Sandino has been reporting, Costa Rica's Government wants to secure congressional ratification of this March 1977 treaty. Costa Rica had not ratified the treaty because it found the treaty to be contrary to its interests.

This ratification suspiciously coincides with the announced ratification by the United States and Colombia of the Saccio-Vasquez Carrizosa treaty, which Colombia has been using to usurp the Nicaraguan Serrana, Roncadro and Quitasueno cays.

The news is also announced at a time when the U.S. Government is beginning to implement its plans of aggression against Nicaragua, which includes the installation of military bases on the island of San Andres.

Meanwhile, the process of ratification of this treaty that harms Nicaraguan and Costa Rican interests apparently has suffered a setback because, according to reports from San Jose, the Costa Rican congress has sent it back to a commission and the winner of the elections, the National Liberation Party, has stated its strong opposition to a discussion of this subject prior to the swearing in of president-elect Luis Alberto Monge.

Here is Augusto Zamora's statement: [begin recording] This treaty would indirectly legally affect us because it has been established--the Foreign Ministry has already said it when referring to this treaty--that treaties signed by third countries do not [as heard] affect the interests of another country indirectly affected by the treaty. It would affect us in the sense that Costa Rica would be acknowledging Colombia's sovereignty over a territory claimed by Nicaragua because it is Nicaraguan. Through this act, there would be bilateral legitimization of the illegal Colombian presence off Nicaragua's coast. [end recording]

CSO: 3010/1068

BRIEFS

'SANDINO' CRITICIZES 'ZIONISTS' TRAINING--Once again, imperialism's henchmen, the Israelis, are against the Nicaraguan people. It has been learned from reliable sources that a number of Zionist instructors are training Honduran pilots. These Zionist instructors have a terrorizing background in bombing cities with napalm, phosphorus, etc. During the liberation war, the Nicaraguan people felt the Israeli planes against their own flesh. The Israelis' infamous tandem-engined planes constantly bombed our cities. The weapons brought in from Israel, the Galils, the ammunition and the technicians who came especially to armor the vehicles used to massacre the Nicaraguan people, will not be forgotten. The Israelis, the Zionists, are imperialism's henchmen. They are merely a facade. Whenever yankee imperialism does not want to show its face, the Israelis appear, arming and training the world's most repressive and hated regimes. The Zionists have caused Nicaragua a lot of blood and grief. Now once again it has been learned that they are training Honduran pilots and mercenaries against Nicaragua. All this, of course, is sponsored by the Reagan administration's crazed leaders. [Text] [PA140145 Managua Radio Sandino in Spanish 0300 GMT 13 Mar 82]

VENEZUELAN MESSAGE TO NICARAGUANS--As Americans and Bolivarians we are deeply concerned about the Nicaraguan process. We are worried about what could happen there if the leaders of the domestic process expand it to what, in our opinion, are deviations from the original Sandinist program and naturally if the United States continues to rigidly view Nicaraguan prospects only from the polarized analysis of a policy of blocs. For us, the Venezuelan democrats, the Sandinist program which earned our solidarity and made us decide to give positive support was a program for a democratic and pluralist society with a mixed economy. A Marxist-Leninist solution cannot adjust to the true Nicaraguan and Latin American situation and naturally contradicts the beliefs which induced the Nicaraguan people and us to join this struggle which led to the overthrow of Somoza. The time has come to ponder how much was contributed to the final victory by Eden Pastora and Carlos Andres Perez and how much Fidel Castro contributed. As we all know he entered the picture at the very end of the game. Caracas, Venezuela, 2 March 1982. Jaime Lusinchi. [Text] [PA121507 Managua LA PRENSA in Spanish 8 Mar 82 p-1]

CSO: 3010/1068

SOCIOECONOMIC PLAN EMPHASIZES FREE MARKET

Overview of Program

Santiago EL MERCURIO in Spanish 17 Feb 82 p A 3

[Text] The minister and director of the ODEPLAN [National Planning Office] announced the socioeconomic program for the period between 1981 and 1989 last week.

This program, recently approved by the president of the republic by means of a decree, can be said to be a true government program, in terms of its content and effects. It will cover the 8 years corresponding to the first presidential term subsequent to the effective date of the new political constitution.

The decree approving the plan indicates that the guidelines and policies set forth in that document will be binding upon all government bodies, including not only the ministries but also the various public departments and state enterprises.

For this reason, it said, the ministers will be responsible for the implementation of the policies specified for their respective areas.

As to the private sector, there can be no doubt that the publication of the policies which will be pursued in the coming years will be useful as a guiding framework for its activity. Normally, private decisions on investments or to launch new projects demand an exact knowledge of the rules of the game, the general guidelines, and the limits within which state activities fall. In this connection, the socioeconomic program offers valuable aid.

It is important to stress that this program represents a clear confirmation of the policies which have been carried out in recent years in both the economic and the social sectors, expanding and broadening the field of action to other sectors in which to date no significant advance has been perceptible.

As is specifically stated, this program is based on the principles governing a subsidiary state which will assume only those responsibilities with which private persons are not in a position to deal.

This is the reason for its definite stress on the social aspects and, still more specifically, on aid to the extremely poor sectors.

The program consists of three main chapters. The first covers the social fields, including in particular education, housing and health. In this connection, it is reiterated that the state will subsidize only those who do not have economic means sufficient to give them access to the level of services permitting satisfaction of their minimal needs. The principle of free choice is also endorsed, in the sense that the beneficiaries of the subsidies themselves will be able freely to choose the doctor they wish to treat them, or the educational establishment in which they will enroll their children. It is also of interest to note that, in the realm of higher education, the document states that the state will annually allocate a fraction of its budget funds to the various higher educational institutions in proportion to the percentage of the best students enrolling there.

The above seems to indicate that the recent elimination of that subsidy for new private universities will be of a temporary nature only, and does not represent a long-term policy.

The second part of the program has to do with the productive sectors. It reiterates the policies of free prices and free entry into the various fields of activity. With regard to credit, it says that farmers, industrialists and miners must turn to the general financial system under the conditions established therein. It is specifically stated that in their financial functions, both the CORFO [Production Development Corporation] and the State Bank will operate like any other capital market institution.

Finally, in the public service sector, the most interesting feature is the full access provided to private investors, both domestic and foreign, in areas such as telecommunications and energy.

To summarize, the program reiterates and extends the policies characterizing the continuing action of the government--social aid focused on the extreme poverty sectors and free entry into the various productive and service sectors, within the context of a market economy, with a subsidiary state.

New Industry Processes Simplified

Santiago EL MERCURIO in Spanish 19 Feb 82 p C 3

[Text] The government will simplify all procedures and requirements for the installation of new industries, maintaining in practice only one single register, according to the socioeconomic programs for 1981-1989 recently announced by the government.

In the chapter pertaining to industry, the text adds that "State support of investment in this sector will involve basically the construction of the infrastructure for roads, ports, hydroelectric and other plants."

The program reiterates that prices for supplies and products will be free, but that action may however be taken on an exceptional basis "when goods which are not internationally marketable are involved."

The document adds that in the financing of new industries, "The state will limit its intervention to the provision of guarantees and endorsements to small businesses," and both the CORFO [Production Development Corporation] and the State Bank are to operate like any other capital market institution.

The document stresses that in the industrial sector, taxes will be assessed consistent with the general scheme for the country and that "The state will subsidize that research in which the social benefits are greater than the private benefits, with priority for those types which have not been developed in other countries."

It states further that the public apparatus will undertake to provide all the information available which might be of mass benefit to the sector, such as import and export prices, among other things.

"All of the information gathered abroad through the general and sectorial representatives of the country will be publicized. The Chilean departments abroad will have to have highly skilled personnel in order to carry out this function, aiding present and potential exporters and providing liaison between them and the businessmen and authorities in other countries."

Finally, this chapter indicates, among other things, that unnecessary controls on the development of new industries and the expansion of existing ones will be eliminated, and only health, environmental and other norms having to do with the safety of other parties will be issued and their implementation checked.

Tourism

In the chapter pertaining to tourism, the document states that the state will abstain from offering or administering tourist services, this being the province of the private sector.

"The state," it says, "will guarantee free entry into the tourist field for domestic and foreign private investors."

It adds that this sector will be taxed in accordance with the general system, "and all exemptions and discrimination will be avoided."

It further adds that "The state will undertake to improve the publicizing, both within and outside the country, of unutilized tourist resources."

Farther on it stresses that the public sector will focus its action on the international promotion of Chile's tourist image, since domestically, this will be the responsibility of the businessmen in the sector.

It also says that the classification of the infrastructure on the basis of the quality of the service provided will be undertaken, although this will not entail responsibility of any kind for the state.

Finally, state actions with a view to expanding and enriching museums and historic spots, simplifying customs procedures for tourist entry and promoting the development of permanent fairs for the exhibit of domestic craft work is discussed.

Science and Technology

Finally, in the chapter pertaining to science and technology, the document states that "Sponsorship of technological research and development will be carried out through the establishment of funds for the financing of basic and applied research projects.

"Resources will be allocated exclusively for specific projects. The state will only finance those which offer greater social than private benefit, while for those from which the private sector obtains direct benefits, financing proportional to the benefits received will be required."

Land Sales Deregulated

Santiago EL MERCURIO in Spanish 18 Feb 82 p C 3

[Text] The government has established its position on farm issues, indicating that both land prices and those of farm products and supplies will be left entirely free, and the state will impose no restrictions on market operations in this sector.

This was officially established in a document called the "Social-Economic Program for 1981-1989," which will be binding upon the various ministries. It has been approved by the president of the republic, Gen Augusto Pinochet.

The document was released last Friday by the minister and director of the ODEPLAN [National Planning Office].

In the section pertaining to agriculture, the document says that prices and supplies will be free and that the state will see to it that maximal competition exists, such as to prevent monopoly situations.

In addition, conditions will be created for the functioning of the markets in the future "with a view to reducing the risk facing producers because of variations in international prices."

As to the land market, the document says that it will be free, "without minimal or maximal limitations on area and without restrictions as to operations on it by any natural or juridical person."

The program also provides that "The farm sector will gradually be incorporated in the general tax system of the country." This means that the current system of taxation on presumed income, estimated on the basis of land appraisals, will be modified.

In the realm of subsidies, the state will subsidize programs for clearing titles for small farm operators. In accordance with the goals established, it is hoped that by the end of the period in question (1981), the titles of 180,000 landowners will have been regularized.

The state will also subsidize the farm research "wherein the social benefit is greater than the private benefit, with priority for that which has not been developed in other countries or has not been adapted to Chile."

Other subsidies will be provided in terms of technical business aid provided by the private sector to the small farmers and training of the workers in the sector.

Finally, where credit is concerned, it will be provided by the general financial system under the conditions established therein. "The state will limit its activity to guaranteeing small farm operators access to credit through the granting of endorsements and guarantees," the document provides.

Fishing

The goal in this area is to reduce state activity, which has discouraged the input of investment into fishing activities.

Consistent with this, the program urges that new legislative norms taking the following elements into account be promulgated: there should be an effective mechanism to avoid overexploitation; there should be provisions for efficient use of fishing grounds; an impersonal and nondiscriminatory system of granting permits should be devised; administrative costs should be low and the new laws should be implemented gradually.

After reiterating the general norms for free access for and subsidies to small fishing operations, the document says that "The state will reserve for itself a percentage of the existing resources for each species, for the sole purpose of allocating them to fishermen using traditional methods."

5157

CSO: 3010/977

PESO-DOLLAR RATIO TO BE MAINTAINED, PRESIDENT SAYS

Santiago EL MERCURIO in Spanish 16 Feb 82 pp A1, A10

[Article by Victor Perez-Cotapos Rosales: "The Dollar Will Continue to be Worth 39 Pesos"]

[Text] Temuco--The president of the republic categorically confirmed here yesterday that the dollar will not be revalued, because the government does not want to encourage easy profits by such a measure nor does it want to harm the wage earning sectors through the inflation to which this would give rise.

The minister of finance also stressed, moreover, that the government will not authorize preferential treatment for any sector because of the recession, and that this phenomenon must be controlled solely through reduction in domestic expenditures. He added that while this state of crisis continues, interest rates will continue to be high.

These statements were made during the meeting the chief executive and his ministers held with 3,000 leaders in all fields of activity in the region. The meeting was held at the O'Higgins school in this city, and lasted 2 ½ hours.

During the meeting, the government leader heard numerous petitions and presentations of problems, some of which he resolved immediately, while others were accepted for further study, both by the ministers and the local authorities. On a number of occasions, the president joked and asked questions, winning laughter and applause from those present.

For the Araucanian sector, the chief of state announced a special 10-million-peso fund for the fencing of those farm properties not yet delimited, as well as the allocation of 50 new "President of the Republic" scholarships this year for Araucanian children. He stressed that this tribe should feel as Chilean as the rest of their compatriots, and that the aid is being given them solely because of their less developed status.

Dollars and Inflation

In his final statement, the president said, in speaking of the dollar, that "many have talked of the need to revalue the dollar. Obviously, you will

say, if I have one and it goes up from 40 to 50 pesos, I will be 10 pesos ahead. However, there are those who have 100 million dollars in their portfolios and some even more, i.e., 4 billion pesos. If the dollar is revalued they earn a billion pesos without lifting a finger, and this I will not do."

He went on to add the following: "My great concern, gentlemen, is inflation. This is why I have given my full support to the minister of finance. Inflation represents an indirect tax imposed on the working class, on the man who is a wage earner. Why? Because what once cost me 10 pesos goes up to 11, 12, 13, 14 or 15 with inflation, depending on the quantity, and this is an indirect burden on the workers. And this is something I will not do either. Therefore I have taken care, and if there is no inflation, you will be the beneficiaries."

In the initial portion of his remarks, President Pinochet stressed the importance of this type of meeting with sectors in the community, since they make it possible, through "direct, faithful, open and honest dialogue" to understand problems and seek solutions, without promising anything. He added that the difficulties "should not crush us," but that on the contrary, it is necessary to be aggressive in order to give equal opportunities to all, because the philosophy of the government calls for "extracting profit out of what we have."

Later, some 20 leaders and representatives of various sectors and communes in Region IX set forth various problems, the majority of them having to do with aspects of labor, unemployment, housing, roads, ownership titles, health and training.

7157
CSO: 3010/978

BRIEFS

WEAPONS FOUND IN CANAL--A Soviet produced AKA machine gun, magazines for it, a homemade bomb, quantities of ammunition and a half dozen diving outfits were found by National Investigation Center personnel buried in sacks in the bed of the El Carmen canal in the Recoleta sector. Reliable sources explained that the AKA gun found in the canal was the weapon used in the attack on the president of the supreme court, Israel Borquez. In the course of checking it, it was found that it "jammed" when it was used in the attack because of a homemade silencer added to it. Because of this fortuitous circumstance, the person using the gun could only fire five times. Otherwise, the president of the supreme court would have been riddled with bullets. It was reported that this find followed investigations being made by security personnel, in which some arrests have been made. Neither names nor other details were released. Specialized personnel said that the weapon was in normal condition although rusted from being in the water, and that it has not as yet been possible to determine how long it had been there. The explosive artifact, manufactured on a kerosene stove, is of the kind known as a "Vietnamese bomb," containing aluminum powder and ammonium nitrate. In addition to four AKA machine gun magazines in their box, the security personnel also found some 50 single projectiles for the same weapon and some 50 38-caliber bullets. [Excerpt] Santiago EL MERCURIO in Spanish 19 Feb 82 p C 5] 5157

CSO: 3010/978

U.S. INTERVENTION IN NICARAGUA OPPOSED

PA152025 San Jose Radio Reloj in Spanish 1730 GMT 15 Mar 82

[Text] A U.S. congressman rightly said today that the United States would be making an historic error if President Reagan insists on a plan to intervene in Nicaragua. The grave charges of THE WASHINGTON POST which were reiterated by the NEW YORK TIMES yesterday seem to indicate that Reagan has decided to invest \$19 million in financing actions to overthrow the Nicaraguan Government.

The creation of a Latin American paramilitary group made up of individuals who could invade Nicaragua is something that, even if it is just speculation, we cannot accept or support.

Nicaragua cannot and should not be invaded. The Marxist groups which now have great power in the Sandinist front are very happy about the big errors committed by the State Department and in particular by President Reagan. An attempt to undertake an armed action in Nicaragua would be the biggest mistake of his life and would constitute a great threat for all the Central American countries. The Marxist groups in Nicaragua have and continue to use to their own benefit Reagan's mistakes.

In Nicaragua there is currently a mass mobilization and total preparation of the people in defense of their sovereignty. It can be supposed that the Soviet Union is taking advantage of these serious events to send more weapons and military technicians.

Reagan's serious mistakes have led to Nicaragua's increasing radicalization. Nicaragua can still be saved and a pluralistic government and system is still possible. However, President Reagan's policy of errors makes it increasingly more difficult to remove Nicaragua from the clutches of international communism.

The communists are very happy with Reagan's mistakes. They are asking for weapons and help from Russia and Cuba and compromising the future of a people who, desperate over their situation, fought violently against Somoza's dictatorship and who are now being used psychologically in a confrontation with the United States.

Reagan is making big mistakes in his policy toward Latin America.

CSO: 3010/1073

BRIEFS

TRANSITION PROBLEMS--San Jose, 14 Mar (ACAN-EFE)--The committee for the transfer of power, created to organize government changeover that will take place on 8 May in Costa Rica, is about to dissolve, the newspaper LA NACION reports today. In its report the paper quotes sources from the two sides, which demanded anonymity. According to the report, the imminent break between the government and the National Liberation Party [PLN], winner of the 7 February election, is due to the executive branch's refusal to cooperate with the newly elected authorities. Shortly after Luis Alberto Monge Alvarez' electoral victory, President Rodrigo Carazo offered to hold a dialogue and cooperate through the committee for the transfer of power. The committee is made up of two government delegates and three PLN delegates. One of the newly elected authorities' demands was that the current government raise fuel prices. The executive branch refused to comply with this demand, alleging that the PLN parliamentary faction itself had frozen hydrocarbon prices. In addition to demanding hikes in the water, electricity and telephone rates, the PLN wanted the government to continue negotiating with the International Monetary Fund to obtain an agreement with greater facilities. To these requests, President Carazo and his closest collaborators have replied that they will only sign agreements of national interest. According to LA NACION, the newly elected officials and leaders have commented that relations with government officials are cordial, but that "little can be done." [Text] [PA150218 Panama City ACAN in Spanish 2045 GMT 14 Mar 82]

TRADE WITH CENTRAL AMERICA--San Jose, 10 Mar (ACAN-EFE)--The Economy Ministry has reported that there has been a favorable development in trade with Central American countries during the past few months. This favorable trend was maintained in January, when \$15.7 million worth of products were exported and \$9.3 million were imported from neighboring countries. [PA160130 Panama City ACAN in Spanish 0009 GMT 11 Mar 82 PA]

CSO: 3010/1073

FEU, UJC PARTICIPATION IN COMMUNIST STUDIES NOTED

Havana JUVENTUD REBELDE in Spanish 4 Feb 82 p 6

[Interview with Oscar Mederos, president of the Federation of University Students, by Pastor Batista; date and place not specified]

[Text] One of the most important tasks in which the Federation of University Students [FEU] and the Union of Young Communists [UJC] are involved throughout the country is the holding of assemblies for communist education, which will take place during February and March, as a fundamental link in the entire process culminating in the holding of the Fourth UJC Congress in April.

With the purpose of informing university youths about some essential aspects of their most important meeting of the entire session, as well as that of making known the present state of these assemblies in the University of Havana, we interviewed Oscar Mederos, president of the FEU in this center.

[Question] What is the purpose of having a meeting of this sort in the heart of the student body?

[Answer] The holding of assemblies for communist education, in both upper and intermediate education, pursues the principal objective of encouraging the most outstanding attitudes of those students who full discharge their duties within the collective. At the same time, in the assemblies the signs of nonperformance and deficiencies found in the brigades are analyzed critically and self-critically.

I believe that all of this is closely linked with the words of the commander in chief during the session of the Fifth Congress of the Federation of Middle School Students.

[Question] And what can you tell us concerning the essential aspects being contemplated in these meetings?

[Answer] The fundamental parameter is the attitude towards study, since that is the principal duty of every student, although the analysis does not lose sight of participation in research, sports, culture, life under scholarship, military studies and other basic questions in youth education.

[Question] What is the analysis of a student who present problems in one of those aspects?

[Answer] When this occurs the youth should be carefully analyzed by the collective, which proposes a measure ranging from a warning within the brigade to a final separation from the center, always under the provision that the sanction be instructive.

Independent of the fact that the assemblies are presided over by the brigade leader or assistant leader, the assemblies are the result of extensive cooperation between the UJC and the FEU, who previously analyze the group's individual and collective situation in order to organize the meeting more effectively.

In this regard Mederos also reminds us that following this analysis in the brigade there will be a general assembly of the active members in the faculties, and finally at the university level, as a preliminary step to the congress.

[Question] We understand that the assemblies in the University of Havana will take place from the 1st to the 20th of February. How do you see the development of this process?

[Answer] In reality the preparation is proceeding satisfactorily. We now have the schedule of the 221 assemblies that are to be held during that period.

In addition, many brigades have prepared their meeting and are familiar with the problems to be discussed there. All that makes me think that the results will be good, since given systematic work with youths, we have no serious problems at the University of Havana.

Most worrisome in this case is that 2,473 students are involved in production, but we are confident that they will respond once again, and there will be no problems with attendance.

The second important aspect of these assemblies is that there will also be a preliminary check of student emulation in the brigade. When we asked Mederos the significance of this step, he smiles and says:

"Yes, definitely one of the central objectives is to encourage the students to do their duty. I believe that these assemblies are the ideal means of making known those who are the candidates for the gold, silver and bronze incentives, as well as to select the collective's leading student. And as is logical, we will analyze the reasons why some youths remain outside those three categories, if that occurs."

[Question] Finally, what do you consider to be the key factors in attaining good quality in this process?

[Answer] In addition to the organizational steps incumbent upon ourselves, as well as on the FEU and UJC, essential is the conscience of the students, their capacity to analyze problems, and--very important--the critical and self-critical spirit that should prevail in every assembly. Hence the call to the 8,947 university students is directed toward those aspects.

MARRERO SCORES U.S. RELATIONS WITH LATIN AMERICA

Poor Year for Economies

Havana GRANMA in Spanish 6 Feb 82 p 6

[Commentary by Juan Marrero: "1981: The Worst Year"]

[Text] Fidel has stated many times, over many years, that if Latin America does not undergo a revolutionary transformation, we are destined to become steadily poorer, weaker, more dependent, and more enslaved by Yankee imperialism. The economic interpretations being made at present by international organizations are an indication of the accuracy of these words. A few days ago the Executive Secretary of ECLA, Enrique Iglesias, stated that 1981 was the worst year for Latin America since World War II. And he pointed out that in the majority of the countries production has slowed, inflation has accelerated, and social problems have worsened, particularly as a result of growing unemployment. The foreign debt of the Latin American countries has reached \$240 billion, a record for the region. Because of the recession and the general weakness of the U.S. economy, the predatory and greedy imperialists are trying to temper its effects by shifting the load to the underdeveloped countries, particularly the countries of Latin America. They adopt policies and measures that do serious damage to the dependent and underdeveloped countries that are colonies of the United States. Protectionism is one of these policies. Thus, for example, President Reagan decided a few weeks ago to raise the duties on imports of sugar to protect American producers, and, as it is known, countries like the Dominican Republic, which exports 85 percent of its production to the United States, have suffered badly from the loss of foreign exchange as a result of this measure. The demand for a fair and acceptable relation between the prices of the raw materials that Latin America exports and the prices of the manufactured products that it imports from the United States has made no progress. On the contrary, the traditional export products of the Latin American countries--raw and agricultural--are constantly declining. Tin, copper, silver, sugar, cotton, coffee, bananas, etc., are quoted at low prices while on the other hand manufactured products have gone out of sight. The Latin American countries that are not oil producers must, in addition, cope with the high prices of that vital resource. For example, in 1976 Costa Rica sold a 100-lb bag of coffee for \$300. Today it averages \$80. Five years ago it could buy 35 barrels of oil with that money. Today it can only buy 2 barrels. This and other factors closely linked with the capitalist economic crisis are the cause of the alarming analyses of the situation in Latin America, a rich, fertile region with natural resources and riches which, if developed and exploited for its own

benefit, could easily cover all its material necessities. In summary, these analyses show: 1) that, as John Foster Dulles once said, "the United States does not have friends, only interests"; 2) a revolutionary transformation is needed in Latin America; and 3) the capitalist road to development is not the solution for our ills.

Caribbean Threats

Havana GRANMA in Spanish 9 Feb 82 p 6

[Commentary by Juan Marrero: "New Yankee Military Bastion in the Caribbean"]

[Text] A few months ago Haitian exiles charged that the regime of Jean Claude Duvalier had authorized the United States to establish a military base on the Island of Tortuga. Also mentioned as possibilities were the Island of La Gonave and St. Mark's Point. It was said that the United States would invest \$500 million in this project. All this was kept in strict secrecy. Now, in the latest edition of NEWSWEEK, it is stated that the United States recently sent a team of military experts to Haiti "whose mission was to evaluate the needs of the Haitian Government for military equipment and security." Are the imperialists trying to convert Haiti into a new Yankee military bastion in the Caribbean? It is evident that the United States has been conducting suspicious military maneuvers on Haitian territory for some time. At the end of July of last year six Haitian amateur radio enthusiasts arrived on the uninhabited Island of La Navaja, 55 kilometers off the western coast of Haiti, opposite southern Cuba and east of Jamaica. And they were surprised to find there, on this small Haitian island, a hundred Yankee military personnel, who had arrived on two helicopters from a Navy ship. Another surprising development was the agreement between Reagan and Jean Claude Duvalier for Yankee Coast Guard cutters to continually patrol the waters around Haiti to stop boats with Haitian refugees. The United States sees in Haiti an important piece for its aggressive policy in the Caribbean and Central America. It is the only thing that Washington cares about. Reagan says he has a development plan for the countries of the Caribbean basin. Are the plans to establish military bases in Haiti going to contribute to the development of that country? Will they alleviate the misery, illiteracy, and poor health in which the Haitian people live--if that can be called living? Will the arrival of Yankee military experts, who, as usual, only carry plans in their briefcases to sell new arms and teach officers and men how to torture and murder accomplish this? The Reagan administration closes its eyes to the fact that the great majority of Haitians continue to go hungry while Jean Claude (Baby Doc) and a tiny elite class live in luxury. If Mr Reagan really wants to know what is happening in Haiti, all he has to do is read what was written last 29 January by his AP news agency, which no one suspects of sympathizing with the Haitian revolutionaries and patriots: "Diseases like malaria, gastroenteritis, and syphilis proliferate in the interior, and hunger is the rule. There, where 76 percent of Haitians live, the infant mortality rate is 150 per thousand. The average annual wage is less than \$200..." Reagan also likes to take the broad view in the face of facts such as: there are 38 jails for every school in Haiti; for each teacher almost 200 soldiers; 65 percent of the population is unemployed; 87 percent of the children are hungry... It must be said once again that Yankee imperialism does not understand and attempts to aggravate the situation in the region of the Caribbean and Central America. Their war plans will not do them any good.

9015

CSO: 3010/961

BALANCE OF MONETARY INCOME, EXPENSES DESCRIBED

Havana ECONOMIA Y DESARROLLO in Spanish No 63, Jul-Aug 81 pp 10-25

[Article by Hugo Garcia Figueroa, B.S., Economics, Cuban, head, Finance Department, School of Accounting and Finance, Havana University]

[Text] Money in circulation characterizes the movement of monetary units from the moment the latter are issued by the Central State Bank and until they are returned to it. Two subjects are involved in this circulation: The state, represented by the various enterprises, organizations, and institutions, and the population.

As we noted in an earlier article on the bank's cash plan (see ECONOMIA Y DESARROLLO No 59), two instruments are basically used for the direction and control of this activity: The cash plan, which basically records the cash flow between the Central State Bank, as the only agency charged with issuing money in the socialist society, and the various enterprises and organizations; and the monetary income and expenditure balance sheet of the population which, as its name indicates, deals with this same problem, however focusing on the population.

In addition to describing the general problems connected with cash circulation, the work mentioned was intended to address itself to the entire problem complex of the Central State Bank's cash plan.

The purpose of this article is to study the other instrument for planning money circulation, that is to say, the population's monetary income and expenditure balance sheet. In the article we mentioned earlier, the following was indicated regarding the balance sheet:

The balance sheet is supposed to seek a monetary equilibrium in the population and to determine how the population's needs are satisfied specifically; it is therefore one of the mechanisms for planning the population's living standard and its planning will thus be the responsibility of the Central Planning Organ.

Since the balance sheet is an integral part of the plans of the economy as a whole, there will be a relationship between it and the rest of the economic plans. In this context, the balance sheet is the decisive document for planning money circulation.

Specifically, at this point we will talk about two basic topics in this plan: On the one hand, the significance of the population's money income and expenditure

balance sheet as such within the system of balance sheets of the socialist economy and, on the other hand, the vital problem which must be tackled in planning money income, that is to say, its link with national income.

For the reason given above, this article is the first in a series devoted to the treatment of this important aspect dealing with the population's living standard.

Importance of Population's Money Income and Expenditure Balance Sheet

General Features

The population's money income and expenditure balance sheet holds an important place in the system of economic balance sheets determining the sources, distribution, and utilization of material, labor, and money resources of the population and of the socialist economy.

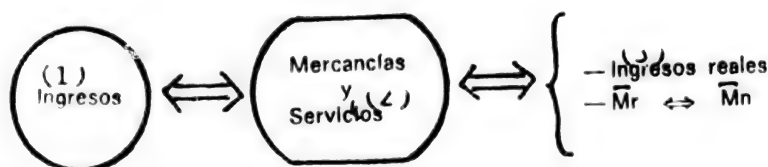
The following aspects are characterized through it:

Volume and source of population's money income;

Structures of population's money expenditures;

Changes in money remnant left in the hands of the people.

Its fundamental objective is to establish a relationship between the population's money income and the volume of goods produced and services paid for in such a way that they will, on the one hand, guarantee increases in the population's real income and, on the other hand, that they will assure an adequate proportion between the total volume of money in circulation and the people's real need.



Key: 1--Income; 2--Goods and Services; 3--Real Income; \bar{M}_r --Goods; \bar{M}_n --Money.

In keeping with its basic purpose, the balance sheet enables us to determine the following:

The demand for goods and services;

The retail trade volumes;

The population's savings prospects;

The primary flow of money in cash within the economy which includes:

(a) The monetary flow of the enterprises, organizations, and institutions toward and from the population,

(b) The redistribution of money among the population groups;

The level and dynamics of the population's real income.

On its basis it is furthermore possible to perform studies to establish an adequate price, wage, savings, retirement pay, subsidy, etc., policy.

All of the above shows that the money income and expenditure balance sheet performs a fundamental role in the national economy and in particular in the management of money circulation. Nevertheless, it is necessary to spell out the real possibilities which exist in the context of money circulation management and planning.

We know that the balance sheet deals with the monetary problem complex in the area of the influence of the population; this is why its use as an active planning instrument is limited by virtue of the spontaneity prevailing in the utilization of funds; we naturally cannot rule out a possible orientation of that effort but in the final analysis it is individual necessity, in its broadest sense, which constitutes the fundamental factor in the use of money media.

From this viewpoint, the balance sheet cannot be the only active element in the process of planning money circulation. In this sense, it gives rise to the cash plan with which it is mutually complementary.

But there is more since, when we talk about money circulation, we mean the movement of money (monetary units) in its cash form whereas, on the other hand, the balance sheet includes the population's money transactions through non-cash transactions (here we might mention consumer loans, etc.).

On the other hand, one might argue along these same lines that it does not really record all cash (although most of it) since money available in the cash funds of the enterprises, organizations, and institutions is not registered in its overall format.

To conclude this portion, we must make reference to the article on the cash plan. It was indicated that the National Bank of Cuba is responsible for the planning and control of the country's money activities and in doing so it bases its activities on a series of functions.

Among them we might particularly stress the fact that it is the country's cash center; this helps make sure that the predominant bulk of cash in circulation will go through its facilities and that precisely is the basis for the bank's possibilities among these lines, in other words, to influence money circulation as a main subject.

On the other hand, looking at the balance sheet, it so happens that it records not only the flow of money under the direction of the bank--since money relations between population groups are also present and these transactions are outside the activity sphere of the bank, which is why, by virtue of this aspect likewise, the possibilities of the money income and expenditure balance sheet on that level are also affected.

In the light of what we analyzed earlier, we cannot arrive at the interpretation that the balance sheet plays a secondary role with relation to the cash plan; nothing is further from the truth. It so happens that we cannot seek its central role along this route but rather, as was described at the start of this article, as the main document in the handling of the population's money instruments--the population generally holding the major portion of the total cash volume in circulation, hence its importance and the complexity of its treatment.

There are even authors who consider the balance sheet as the decisive document in money circulation; this presupposes that the cash plan plays a secondary role or, more properly a subordinate role. We are of the opinion that this interpretation is not accurate because what happens is that one of them has its particular objectives within the context of managing this activity, with both of these parts forming a single whole, without which--in the light of the procedures currently used--it would be impossible correctly to manage money circulation.

Under Cuba's specific conditions, the balance sheet is assigned a significant role likewise.

The rise in the population's material and cultural living standard is one of the central objectives of the nation's political and economic leadership; this is reflected in the economic development plan and in the various party documents.

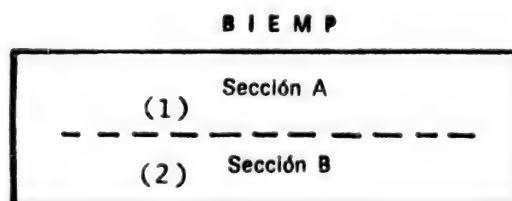
This objective is practically expressed in the overall population living standard plan. The balance sheet is an integral part of that plan; it is the instrument which, according to the methodological indicators for planning, establishes adequate proportions between the money income of the population and retail merchant circulation, paid services, and savings.

Structure

From the structural viewpoint, the balance sheet consists of two sections.

Section A is intended to describe money relationships between the population and the various enterprises, organizations, and institutions.

Section B is used to detail the money links between selected population groups.



Key: 1--Section A; 2--Section B; BIEMP--Population's Money Income and Expenditure Balance Sheet.

In an abbreviated form, Section A consists of two elements:

Income coming from socialist enterprises and organizations,

Expenditures for the purchase of goods and services in the socialist enterprises and organizations.

The fundamental portions making up income are as follows:

Wages of enterprises and organizations,

Day wages paid by agricultural cooperatives,

Pensions, subsidies, and allowances [scholarships].

As for expenditures, the most important place is taken up by payments made by the population for goods purchased and services received.

By virtue of what this section represents, the primary movements of cash are performed in it and it is therefore of vital importance to money circulation.

Furthermore, another relationship of the utmost importance is identified in it, that is to say, the purchasing fund which characterizes the portion of population income that is intended for the procurement of goods.

$FC = Gem - Rmp$

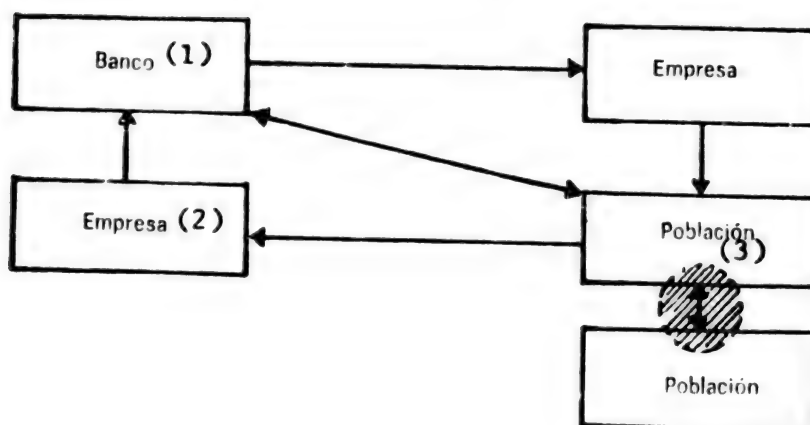
where FC is the purchasing fund; I is the population's income; Gem is extra-mercantile expenditures; Rmp is available money in the hands of the population.

The monetary relations between population groups, as we pointed out, are described in Section B.

It generally has a small volume since its special aspect consists in the fact that the income of one group corresponds to the expenditures of the other and viceversa.

In the light of what we said before, money transactions recorded in this section do not modify the correlation of the balance sheet as a whole (for the entire country). Nevertheless, this situation can be significant for regional balance sheets.

For example, the provincial balance sheet can be unbalanced if the blue-collar and white-collar employees in that territory make their purchases in another territory. In conclusion, we must realize that, for the country as a whole, the equilibrium as such is analyzed on the basis of the income-expenditure ratio of Section A, while, for provincial balance sheets, this analysis must be developed on the basis of the two sections (A and B).



Key: 1--Bank; 2--Enterprise; 3--Population.

Another important aspect of this Section B has to do with the changes which it introduces into money circulation.

We thus find that, even though a province's balance sheets may be balanced, by virtue of the fact that Section B presents certain transactions, the speed of rotation is affected, as is the structure of expenditures and the frequency of those expenditures.

The speed of rotation is changed as the latter spreads out due to the entry of a subject into the money circulation channels.

As for the structure and frequency of expenditures, it is normal for them to change due to the habits of the peasants as for the types of products which they prefer (durable goods) and the periodicity with which they make their purchases (generally less frequently than the city population).

Right now, although Section B is not yet reflected on the balance sheet in Cuba, it must nevertheless be assumed that it is included to the extent that we gain experience in drafting it and to the extent that the economic management and planning system is developed.

Finally, the balance sheet is also made up of two portions within each section where there is a respective relationship between income and expenditure.

Structure of Population Money Income and Expenditure Balance Sheet

Ingresos		Egresos	
(1)	(3) Sec	(2)	clón A
	Sec		clón B (4)

Key: 1--Income; 2--Expenditures; 3--Section A; 4--Section B.

Types of Balance Sheets

The population's money income and expenditure balance sheet, like the rest of the economic balance sheets, is prepared on the basis of various criteria in relation to reality which are going to be expressed through it.

Specifically, the balance sheet can be described as follows:

(a) In Terms of the Planning Horizon

The balance sheet as one of the central plans of the economy and moreover as a part of the population's living standard plan must be drafted in a long-range form and in an annual form.

When we deal with a long period of time, balance sheets are drafted for a 5-year-term, including for a longer period of time of 10, 15, or 20 years; in that case we deal with the long-range population's money income and expenditure balance sheet.

Long-term planning is accompanied by the annual plans which, within this context, are the planning elements that are closest to reality and which precisely because of that will chart the way toward the proposed goals. For this purpose, we prepare the annual population's money income and expenditure plan.

(b) In Terms of the Type of Data It Represents

From this viewpoint, balance sheets are classified as planned and as real.

The population's money income and expenditure balance sheets planned here precisely are those which were described in the earlier point. These balance sheets are drafted by the planning guidance agency, in our case, the Central Planning Board; other government agencies are also involved such as the National Bank of Cuba and state committees on finances, prices, etc.

In the planned balance sheets we find the materialization of the main outlines (for the period covered) of the population's income and expenditures. Frequently, when these balance sheets are drafted, they reveal disproportions, that is to say, they do not reflect the equilibrium necessary in the area of the population; this is why we reconsider other plans, such as the investment plan, the mercantile production plan, the credit plan, etc., until we achieve the desired proportions.

In other cases, the situation is the other way around, in other words, we have to adjust the balance sheet as a result of the attainment of objectives in the rest of the economic plan.

The above shows that there is a strong relationship between the balance sheet and the other plans and this introduces the need of their correlation; this is why during the planning process we need close interaction so that the balance sheet will faithfully reflect the value relations between the state and the population as back up support for the rest of the material plans which refer to that activity area.

We will recall that the fundamental economic law of socialist society calls for the satisfaction of the population's needs; it was said elsewhere in this article that these needs, in terms of money-merchandise relationships, are basically tackled through money income and the latter, as we know, is taken up in the balance sheet.

On the basis of the above line of reasoning, many specialists assume that the balance sheet has a primordial character with relation to the rest of the economic plans, implying the balance sheet's primary character in practical planning terms.

It is our opinion that, in the reality of the planning process, we must, on a parallel line, develop those other plans, starting with the outlines contained in the central planning documents.

The real balance sheets, as their name indicates, record the result for a certain period of time which generally covers a quarter; this enables us to complete the reflection of events in terms of money calculation since, as we pointed out in our article on the cash plan (ibid.) the latter likewise offers information with this same frequency.

Real balance sheets are drawn up by the State Statistics Committee with the cooperation of other agencies, primarily the National Bank of Cuba.

(c) In Terms of the Information Level

In keeping with this classification, we have the so-called national balance sheet, which records the problem complex of the country as a whole, and the provincial balance sheets, which, as their name indicates, deal with the particular aspects of each province.

Although in this article we only included the above classification, there are some authors who, because of the peculiar aspects of the problem complex involved in certain population groups, include another one which precisely relates to this aspect.

The above concludes the presentation of central elements regarding the importance of the population's money income and expenditure balance sheet.

Among them we included the following:

The general features of the balance sheet, where we demonstrated the importance of that balance sheet on the basis of the role which it must play within the economy's balance sheet system;

The structure within which we study the format in which the balance sheet is represented;

Here we distinguish the role which each of its parts must play;

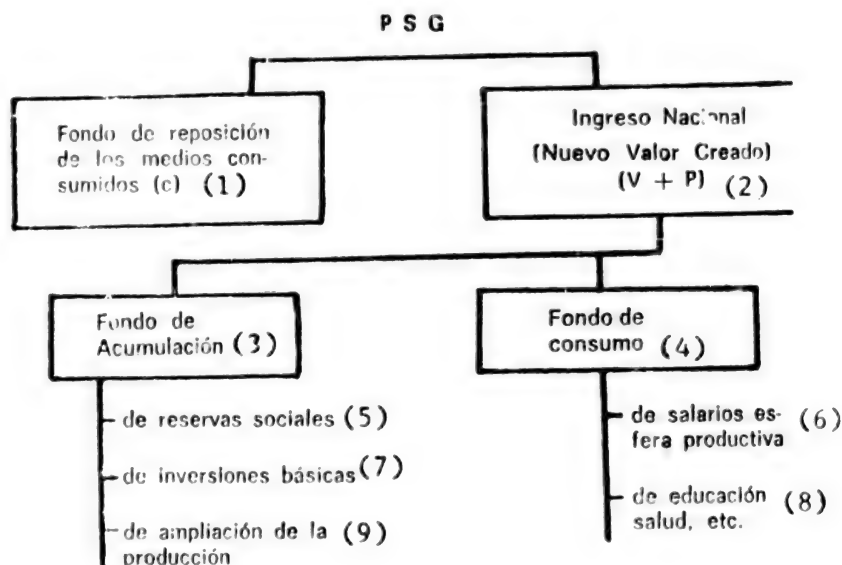
The types of balance sheets; here we presented a classification of those balance sheets in terms of the information provided.

Some Problems in Planning the Population's Money Income

As an initial element in the problem complex of planning the population's money income, we come to the very close relationship existing between that income and the formation, distribution, and utilization of the national income.

Let us recall Marx here who, in his "Critique of the Gotha Program," developed the foundations of the distribution pattern for the Total Social Product under the conditions of socialism. Later on, Lenin included in it aspects having to do with defense expenditures and the distribution of the PSG [Total Social Product] in terms of value in the light of existing reality.

Practically, this distribution can be illustrated in the following terms.



Key: 1--Fund for the replacement of media [money] consumed (c); 2--National income (new value created) (V + P); 3--Accumulation fund; 4--Consumption fund; 5--Of Social reserves; 6--Of wages in the production sphere; 7--Of basic investments; 8--Of education, health, etc.; 9--Of production expansion; PSG.

Here, as we know, national income represents the new value created for a period of time and therefore it is one of the most general indicators in measuring society's growth.

As a decisive part of that we have the income of the workers in the production sphere.

From the above we can derive the importance of the amount of money income of the workers in the production sphere as far as the formation and distribution of national income is concerned.

We also know that this income is formed in accordance with the socialist principle of paying the workers in keeping with the quantity and quality of work done; we furthermore know that this national income goes through a process not only of distribution but also of redistribution (various distribution steps up to its total utilization). Within this context, the population's income plays a central role.

For the purpose of achieving an adequate distribution of national income in the course of planning the population's money income, we can identify the following groups under the heading of income.

These groups [of income items] normally include the following:

Income of workers in the production sphere,

Income created on the basis of the distribution of national income or the primary distribution of the same,

Income of white-collar employees in the unproductive sphere.

The following are derivatives of the salaries of employees in commerce, health, etc.:

Income corresponding to a portion of social consumption; this income includes income made up on the basis of the budget and other funds created in the enterprises and social organizations (subsidies, retirement pay, etc.);

The rest of the money income; here we include some forms of income such as income coming from abroad, bonuses, etc.

The above classification is very important. For example, the graph given earlier on the distribution of the Total Social Product refers to its "final distribution," assuming another form in the distribution process.

From that we can conclude that the magnitude of income of workers in the production sphere as a matter of fact plays an important role in subsequent distribution (consumption fund and accumulation fund) on the basis of the net income.



Key: 1--Fund for replacement of means [money] consumed; 2--National income; 3--Wages of workers in production sphere; 4--Net income; 5--Accumulation fund; 6--Consumption fund.

On the other hand, since it is these workers who create the national income, we must establish the kind of ratio between their income and the rest of the income groups which would provide sufficient interest in the creation of the national income and its increase.

Besides, looking at the material incentive for the development of the national economy, we must next plan the increase both for the workers in the production sphere and those in the unproductive sphere.

We must also think about raising wages from the viewpoint of productivity increases, the necessary migration of the labor force, etc.

Finally, the third group is also important; here, the principal place is taken up by money income derived from social welfare.

This entire, very close relationship, as described earlier, has persuaded the majority of the socialist countries to draft their respective population money income and expenditure balance sheets so as to include the money income of the population in accordance with its kind, with a high degree of further breakdown.

An example of this is represented by the balance sheets of Czechoslovakia, the USSR, and Cuba where we have the following patterns.

Czechoslovakia:

Income: From wages, from CAU, from the sale of farm products, from social welfare, from loans received, from interest on deposits and lottery winnings, from insurance benefits, others sources, total income.

USSR:

Wages, income obtained by workers and employees (not counting salaries), income of collective farms, income obtained from sale of farm products, pensions and allowances, scholarships, income obtained from financial systems, miscellaneous income.

Cuba:

Money income: Wages and other similar forms of work remuneration, money income of cooperative members, money income of private sector, retirement severance pay, pensions, and allowances, scholarships for students, income from finance credit system, miscellaneous money income, income obtained through [bank] drafts and transfers.

All of the above demonstrates the very close relationship between the population's money income and the formation, distribution, and utilization of the national income from which we can deduce that the planning of incomes corresponds directly to the management of the national income.

For example, from the viewpoint of national income utilization, we take into consideration the following elements in planning the population's money income:

Portion of income intended for purchase of goods,

Magnitude of social consumption,

Ratio between natural consumption and total consumption on the basis of income;

Level of taxes and other expenditures based on income, representing acts of redistribution;

Portion of income intended for services,

Dynamics of purchasing power not realized;

Creation of reserves.

From the relation of these factors we get the equation that characterizes the direct elements to be taken into account when planning the total amount of the population's money income.

Therefore, if we want to make sure that the population's money income will, in an overall form, be covered materially, we must abide by the corresponding equation.

In summary, we have seen the evaluation of money income of the population in terms of its connection with the national income; in spite of that, this is not the only link involved here.

Another relation in this field is the one that must exist between the various types of income and among them and the expenditures which the population incurs; these aspects will be taken up in future articles.

To conclude this article, we will mention the form in which this situation is tackled in Cuba.

The methodology for drafting Cuba's national economic plan spells out the scheme for calculating the population's real income. Here it is pointed out that these forms of real income represent the volume of the national income which is intended for the consumption of the population, both individual and collective.

Specifically, here is the calculation scheme:

I--Money income used to purchase goods;

II--Money income used to pay for productive services and for nonmercantile material goods;

III--Money income of private producers;

IV--Local consumption by peasants and income in kind [special income];

V--Free consumption of products and production services; total individual and service consumption;

VI--Housing fund decline [use];

VII--Material consumption in institutions in the nonproductive sphere which render services to the population.

Real Income Available to the Population

The following is a very brief comment on some of these elements.

The money income used to purchase goods is determined by deducting, from the population's money income, that income which is not used up for the purchase of commodities and variations in the population's liquidity.

Among monetary income used for payment of productive services and for nonmercantile material goods, we include among other things expenditures for transportation, electricity, water, gas, etc.

The money income of private producers corresponds to the income coming from sales to the state sector.

The decline [use] of the housing fund represents the total volume of housing consumption, not the consumption paid for.

The above concludes the study of some problems in planning the population's money income from the viewpoint of its relationship to national income so that the way has been opened to an analysis of this problem on another level.

BIBLIOGRAPHY

"Indicaciones Metodologicas para la Elaboracion del Plan de la Economia Nacional" [Methodological Indications for Drafting the National Economic Plan], Central Planning Board.

Gdoli V. Kaganov, "Organization and Planning of Money Circulation in the USSR."

"La Circulacion Monetaria en el Socialismo," [Money Circulation under Socialism], Lecture notes of Professor V. Poledor, Lecturer.

Hugo Garcia Figueroa, "The Cash Plan," magazine ECONOMIA Y DESARROLLO, No 59.

V. V. Lavrov, "Finances and Credits in the USSR."

"Plataforma Programatica del Partido de Cuba. Tesis y Resoluciones" [Program Platform of the Communist Party of Cuba--Thesis and Resolutions].

K. Marx, "Critique of the Gotha Program."

Lecturer Ye. Petrivalskiy, "Fundamentals of Money Circulation--Its Organization and Planned Management under Socialism."

5058

CSO: 3010/1028

SUGAR INDUSTRY TERM 'RECOVERY' EXPLAINED

Havana JUVENTUD REBELDE in Spanish 2 Feb 82 p 6

[Article: "What Is the Recovery?"]

[Text] The recovery is the result of the efficiency of extraction in a sugar mill, or in other words, the total cane sugar contained in the cane (pol) that can be extracted from it in the form of crystallized sugar.

It is not feasible to obtain the entire contents of the cane, because it is uneconomical, and from the technical point of view it has never been achieved.

It is quite an acceptable recovery to obtain from the cane a yield of over 85 percent.

If we estimate a unit of recovery in absolute terms as one-tenth in yield, in a sugar harvest of 8 million tons, 80,000 would be equivalent according to this concept.

In regard to agroindustrial efficiency, clean and fresh cane is an important factor. Cut cane that is unnecessarily delayed in reaching the mill does not conserve the maximum sugar content, and therefore its yield is less. On the other hand, the greatest possible purity contributes to more efficient crushing, avoiding processing problems and maintaining product quality.

And, of course, in order to maintain stable processing, the crushing capacity of a sugar mill requires a constant supply of raw material in the shaft, avoiding "ruts" in the matting that alter the production rhythm. These are factors that decisively influence a good recovery.

There are many ways in which every worker can collaborate in achieving greater efficiency. One must be very careful to see that all the quality indicators are maintained, and keep constant vigilance in all aspects of factory operation. A systematic control of the sugar mill's principal losses in honey, waste pulp, first froth and indeterminate materials.

In addition, cooperation is needed in security arrangements, complying with and requiring compliance with the worker protection rules, along with support for the measures adopted by mass organizations against absenteeism, negligent work attitudes, etc.

In short, each and every one of the tasks that tend to improve plant efficiency and therefore the attainment of a high recovery should be given maximum support.

SALVADORAN YOUTH MOVEMENT SETS DOWN ASPIRATIONS

PA060414 San Salvador EL DIARIO DE HOY in Spanish 5 Mar 82 p 51

[Paid advertisement from the Fatherland Youth Movement: "The Nation's Youth Speaks"]

[Text] We are young and are not going to standby and watch with indifference the tragedy existing in our country.

We are young and refuse to be bystanders of the historical event that our country will experience on 28 March.

We are young and with our active presence are ready to defeat the shameful past which filled the soul of the Salvadorans with hatred, vengeance and fear.

We are young and intend to unmask the pharisees responsible for the crisis existing in our country today.

We are young and are ready to contribute with our positive efforts so that time will not stop in our country and regress, frustrating the hopes of the people who are always ready to advance.

We know that Marxists leaders took advantage of the discontent of the youth with a past filled with injustice, repression and fraud which led to frustration and a loss of faith.

We hope to restore the faith of a confused, deceived and frustrated youth which has the right to demand from the older generations a future with justice, love, freedom and democracy.

We know that no one has the right to decide our future.

We know that no one has the right to condemn us for our ideas or to castrate youth which is the hope of this country.

Let us hope to bury in the deepest of our volcanoes, this society of privileges which we must overcome, this exhausted and obsolete economic structure which does not satisfy the Salvadorans.

We want and aspire to bury in the deepest of our volcanoes, the shame of illiteracy which keeps most of the people without culture. All these things will be decided on 28 March. This is the aspiration of the Fatherland Youth Movement, MPJ. The MPJ says no to the past. Rosa Maria Flores, Felipe Edgardo Alvarenga, Julio Alberto Dono, Armando Chavarria, Maria Elia Quiroz.

CSO: 3010/1043

CAPTURED NICARAGUAN MERCENARY ESCAPES GUARDS

PA062240 San Salvador EL DIARIO DE HOY in Spanish 6 Mar 82 pp 4, 38

[Text] A Nicaraguan mercenary captured by the national police was rescued by persons at the Mexican Embassy when the arrested mercenary guided two detectives to show them "a contact" who would await for him there, an official report said.

The report was given yesterday directly by Col Reinaldo Lopez Nuila, police director general, who called local and foreign newsmen together to report the incident.

The mercenary had identified himself as Ligmadis Gutierrez Espinoza, born on 10 November 1962 in Jinotepe, Nicaragua. He claimed to be a student of physics, a member of the Nicaraguan Student's Association and of the Nicaraguan Civilian Defense, the report said. His parents are Carlos Juan Gutierrez and Maria Auxiliadora de Gutierrez.

He was captured on 21 February at Las Chinamas border post.

According to the report the mercenary carried an olive drab knapsack as he entered from Guatemala. During his questioning by the police from the moment of his capture, he said he was going to El Salvador to "train a guerrilla squad" which he would command. He said he received his terrorist training in Saltillo, Coahuila, Mexico and that Cubans, Salvadorans and Nicaraguans had been trained. He said, according to the official report, that he had been ordered to come to El Salvador to train the guerrillas who would form part of a group to attack San Salvador this March.

When he was arrested he confessed that his first contact would be with a man called "David" who would wait for him with an olive-drab knapsack on the branch road to Apanuca, Aguachapan Department. He also said, Lopez Nuila added, that if this contact failed, another one would wait for him in front of the Mexican Embassy Monday at 0900.

The second contact mentioned by the mercenary would be identified as "Jorge," his features were detailed and the police made a "spoken picture." Gutierrez said that this man would also be carrying an olive drab knapsack on his back, identical to the one carried by the arrested mercenary. The police decided to let the prisoner pass by the Mexican Embassy where the contact would take place.

When the officers guarding Gutierrez approached the Mexican Embassy, they allowed Gutierrez to descend from the vehicle and asked him to walk a few steps ahead of them. However, when the mercenary passed before the embassy's gate, several unidentified men emerged and rescued Gutierrez taking him into the embassy.

When the officers tried to capture the mercenary again, embassy officials came out in his defense and informed the officers that they were on "foreign territory."

On the following day, the Mexican Embassy charge d'affaires requested asylum for Gutierrez and two other Nicaraguans on the premises. One of them is paralyzed in the legs as a result of a gunshot wound in the backbone and another is wounded in the arm, reports said. The asylum request, according to the information released, is now at the Foreign Ministry.

Meanwhile Col Lopez Nuila informed newsmen that an attack on a mechanics shop had been frustrated some 15 days ago and that one mercenary was killed and another captured during the attack. He also said that five mercenaries were captured after the attack, of these three were Nicaraguans and two were Salvadorans.

The Mexican Embassy has been closely watched since Monday to prevent the escape of the three mercenaries protected by the Mexican flag.

CSO: 3010/1043

REPORT ON CONGRESSIONAL VOTE FOR PRESIDENT

PA140418 Panama City ACAN in Spanish 0218 GMT 14 Mar 82

[Excerpts] Guatemala City, 13 Mar (ACAN-EFE)--General Angel Anibal Guevara was elected president of Guatemala tonight. With the opposition's absence, and by absolute majority, the National Congress elected former defense minister General Guevara, the official candidate. Guevara obtained 35 percent of the vote in the general election held on 7 March.

Of the 61 deputies who comprise the present legislative body, only 52 were present. The voting was as follows: 39 in favor of Guevara and 13 blank votes.

Under the Guatemalan constitution, if none of the candidates obtain more than half the votes, congress must then elect the new president of the republic, choosing from the two candidates with the most votes.

On this occasion, the two candidates with the most votes were General Guevara and the anticommunist Mario Sandoval, who obtained 25 percent of the vote.

However, Mario Sandoval today requested that the election be invalidated due to "fraud, coercion, violence and threats" by certain government authorities.

Sandoval had asked his representatives not to attend the congress today so as not to participate in "the farce." He added that if anybody voted for him, he would consider it a personal insult.

Prior to the secret ballot, the deputies decided to deny the petition for the invalidation of the 7 March election, filed by the anticommunists on the basis of alleged fraud.

In accordance with the constitution and with Guatemala's law on political parties, prior to electing General Guevara, the deputies present declared the 7 March election valid and then proceeded to elect the new president.

Guevara will take office on 1 July, as already announced by President Gen Fernando Romeo Lucas Garcia. Garcia came to power in 1978.

CSO: 3010/1072

GDR RADIO INTERVIEWS REVOLUTIONARY

LD152320 East Berlin Voice of GDR Domestic Service in German 1605 GMT
15 Mar 82

[Text] A delegation of the Guatemalan National Revolutionary Union recently visited the GDR. It has been touring a number of European countries at the invitation of the WPC. It visited France and Bulgaria in order to draw public attention to the genocide perpetrated by the regime in Guatemala and to speak about the struggle of the popular liberation forces. Angelika Hermann had an opportunity to talk to Rosa Arena of the Guatemalan National Revolutionary Union. Asked why over 60 percent of the people boycotted the so-called elections at the beginning of this month, Rosa Arena replied:

[Begin recording] [Arena] It is due to two important factors. For one thing there is the absolute lack of credibility of the military regime and there is the political-ideological work of the revolutionary organizations. It has produced a higher awareness among the workers and peasants. Another cause is the worsening social and economic plight of the people. The system, the regime, in Guatemala, is going through an unprecedented social and economic crisis. So the struggle has been stepped up. The cost of living has gone up. As for illiteracy, official statistics speak of a 76-percent illiteracy rate. In fact illiteracy is much higher in rural areas. Among the indigenous population it is 98-99 percent. Eighty-one out of every hundred children suffer from malnutrition and the resultant eye and gastrointestinal tract diseases. Housing, particularly in the capital, has deteriorated. After the earthquakes, there is a shortage of 1 million homes. Official statistics last year spoke of a 40-percent unemployment rate.

[Question] Let me come back to the popular resistance. You are working clandestinely, underground. The regime will not stop at anything, torture or murder, in its fights against the liberation forces. How can you carry on the struggle in spite of these conditions and draw ever more Guatemalans into your struggle?

[Answer] Repression has made the people more radical. They have taken up arms. What else can people do when they are driven from their villages but

to resist? They are looking for means to defend themselves. They turn for support to the revolutionary organizations. Do not forget that for over 10 years we have done political and organizational work. Young people are joining the guerrillas. The civilian population are preparing to set up self-defense units. They are posting lookouts and raising shock troops. Let me speak of the persecution of the population. Some 90 percent are Christians. Priests supporting our struggle are murdered. They have to go underground. They have to go abroad.

[Question] Recently four Guatemalan organizations formed a union called the Guatemalan National Revolutionary Union. Who joined it and what are its objectives?

[Answer] It was formed by the rebel armed forces, the organization of people in arms, the Guatemalan Labor Party (?as the nucleus of the national leadership). They agreed on a strategy for the revolutionary popular struggle with shared strategic and tactical objectives, set out in a five-point program. Point one refers to respect for human rights, reverence for human life in order to abolish repression in Guatemala forever. Eighty three thousand people have been murdered for political reasons; not to mention the people who have died from hunger and degradation. The second point is to provide supplies of staple foods to satisfy the people's principal needs. We want to put an end to the rule of the rich, Guatemalans and foreigners, in our country. We want to transfer their wealth to the people. We wish to respect entrepreneurs who are patriots and support our struggle. We want to implement an agrarian reform while supporting smallholders. The people should benefit from the wealth they produce. We are paying attention to the experts who can help us rebuild Guatemala, build our industry and economy. We must lay the foundations for feeding the people, for housing, education and health. The third point says that the indigenous population should have the same rights as the Ladinos, the Spanish-speaking population. They should share power with the other ethnic groups. The fourth point states that all sections of the people should participate in the takeover of power; that there should be freedom of opinion and worship. The fifth point deals with our international policy.

[Question] The survival of the Guatemalan regime in spite of the enormous popular resistance is due in part to the interventionist policy of the United States and of other countries, as you said at your press conference--Israel for instance. What are the facts?

[Answer] While the Carter administration imposed an embargo on arms for the Guatemalan regime, Israel filled the gap and sent equipment, guns and ammunition, to the Guatemalan army. Aircraft and helicopters also come from that quarter. We have concrete evidence for the supply of arms by Israel. When we mention 21,000 trained officers, we know for certain they were trained in [name indistinct] last year. Sometimes they are listed as [words indistinct] personnel. The North American imperialism has helped train these men. It has trained police forces used especially against guerrillas.

[Question] Mrs Rosa Arena, let me ask you a personal question in conclusion. You have been engaged for 17 years in the resistance. You are a mother and yet run great risks. Why?

[Answer] I have been working clandestinely for 17 years. I am a wife and mother. And yet I noticed the plight of our people and felt obliged and saw examples of dedication to the revolutionary struggle. So I did not want to stand aside. [end recording]

CS0: 3103/338

GOVERNMENT TO ACT 'VIGOROUSLY' AGAINST AGITATORS

PA122106 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 11 Mar 82

[Government communique issued by the Public Relations Secretariat of the Presidency in Guatemala City on 10 March 1982]

[Text] The government of the republic informs the Guatemalan people that unscrupulous persons are circulating false leaflets inciting Guatemalans to close their businesses, industries and farming and livestock concerns.

This libel [libelo] appears over the name of a phantom organization calling itself the National Association of Guatemalan Businessmen.

The thinking people of Guatemala should not be deceived by those who want to bring the country to ruin and anarchy for the sole purpose of furthering their personal or group interests.

In the days preceding the elections, clandestine terrorist groups urged the people not to go to the polls, but the people responded by fulfilling their civic duty, turning out en masse at the polls.

Today, another clandestine group is calling for the paralysis of the country's economic activities, without concern for the consequences of such an irresponsible, unpatriotic and immoral attitude. Noting the maneuvers of those groups, who remain in the dark while seeking to misguide the people for their own purposes, the government of the republic calls on the general citizenry to show good sense and under no circumstances to allow these bad Guatemalans to achieve their machiavellian goals of hindering the country's economic development.

Finally, the government warns that it will act vigorously against those who attempt in any way to disrupt the institutional and public order.

CSO: 3010/1072

BRIEFS

OPPOSITION UNION REPORTS THREATS--Renan Quinones, secretary general of the National Renovating Party, said tonight that members of the Opposition Union [UO] have been the victims of the violence that followed the elections, while others have been threatened. [Begin Quinones recording] First of all, there was the appearance of a list of 100 persons, including the candidates for president, vice president and deputy and the leaders of the parties that formed the coalition which is struggling to halt this monumental fraud that the government parties are attempting to perpetrate. Secondly, we also wish to report the murder of another UO leader, Professor Francisco Urrutia, candidate for deputy in Jutiapa District. He disappeared yesterday and his bullet-ridden body was found today in Chiquimula. This is added to the fate suffered by our two party members from Escuintla who served as supervisors of electoral booths there and were found murdered in Amatitlan yesterday. We are still trying to find our eight electoral booth delegates who were serving in El Quiche and have disappeared. We also learned that the electoral delegates who were arrested after the elections on Sunday are now being released. [end recording] [Text] [PA121955 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Mar 82]

CENTRAL AMERICAN COMMUNITY--Guatemalan President Gen Fernando Romeo Lucas Garcia, during a cabinet meeting, issued a government decree dated 24 February 1982 in which, in compliance with Article 2 of the republic's constitution--which recognizes the geographic and historical fact that Guatemala is part of the Central American Community--the Guatemalan Government expresses its support for the governments of El Salvador, Honduras and Costa Rica in their efforts to solve the political, economic and social problems facing their respective countries, in accordance with the document entitled: "Resolution that creates the Central American Democratic Community," which was signed in San Jose, Costa Rica, on 19 January 1982. In addition, the Guatemalan Government, in the above mentioned decree, reiterates its firm position of respect for and strict observance of the treaties, resolutions and in general standing obligations it has accepted, with the fraternal countries of the Central American Isthmus, toward achieving the total integration of Central America. [Excerpt] [PA140019 Guatemala City DIARO DE CENTRO AMERICA in Spanish 1 Mar 82 p 5]

STRIKE TERMED 'COMMUNIST TACTIC'--Guatemala City, 11 Mar (AFP)--Guatemalan Government Minister Donaldo Alvarez Ruiz, today termed the opposition groups' call for a national strike of the productive sectors a "communist tactic." The opposition groups made the call after charging that the 7 March election was a fraud. The election, according to official results, was won by Gen Anibal Guevara. Minister Alvarez denied that the election was a fraud and said that the call to strike led by the Guatemalan Christian Democratic Party, part of the opposition union, "confirms that they are green outside and red inside." "The disruption of a country's economy is the tactic followed by Marxists throughout the world," the Guatemalan minister said. He is also secretary general of the Democratic Institutional Party (PID), which supported General Guevara's candidacy. [Text]
[PA131933 Paris AFP in Spanish 0058 GMT 12 Mar 82]

CSO: 3010/1072

BUSINESS LEADER ANALYZES REAGAN PLAN

PA161840 San Pedro SULA TIEMPO in Spanish 5 Mar 82 p 4

[Text] Edgardo Sevilla, executive secretary of the Honduran Council of Private Enterprise, COHEP, said that the short-term economic benefits to be obtained from the Reagan plan, are minimum. Sevilla's frankness hit a nerve when he said that Honduras is not prepared at this moment to face the competition that will result with the establishment of a free zone in the United States for our products.

According to Sevilla, Honduras will have to compete on equal terms with other countries of the Caribbean basin, without being prepared to compete with more developed countries of the region, which will benefit from the proposals submitted by the U.S. President.

Although Sevilla said that there are some aspects which could bring immediate benefit, he doubts the government has the means to take full advantage of them. Some sectors would like to make the effort, he said, but the nation's economy is in crisis.

He added that the U.S. custom's facilities are nothing new, since 85 percent of goods enter the United States duty free, "but we are pleased to see that the aid will be channelled through private enterprise, which is a change in the traditional economic pattern that promoted the state intervention."

He was asked what guarantees there were that businessmen could successfully handle the loans, since they are unable to take advantage of the now-bankrupt National Investment Corporation, CONADI.

"This experience," Sevilla added, "can now serve to make more careful use of credits, having in mind a more precise understanding of the possibilities of profit. Perhaps CONADI had a different outlook which lent itself to more state intervention in enterprises."

According to Sevilla, this could have been the cause of some of the problems, but we have to recognize that there was a drastic economic change between the time CONADI was established and the still existing circumstances which led to its crisis and that the companies failed because they could not achieve a point of stability.

Again referring to the Reagan plan, Sevilla said that he is analyzing two negative aspects: the first being the idea that the plan by itself will solve the problems; and the second is that the economic aid to Honduras is obviously too little in relation to its needs.

He said that Reagan's initiative makes more urgent the issuance of the export development bill, because there is a possibility of Honduras becoming an excellent exporter to the United States.

CSO: 3010/1071

SECRETARIAT REORGANIZES BORDER COMMISSION

PA132143 Tegucigalpa Domestic Service in Spanish 1130 GMT 12 Mar 82

[Communique issued by the Information and Press Directorate of the Honduran Foreign Secretariat in Tegucigalpa on 11 March--read by announcer]

[Text] Honduran President Roberto Suazo Cordova, through the Foreign Affairs Secretariat, has reorganized the Joint Border Commission established by the general peace treaty signed by Honduras and El Salvador on 10 October 1980. The purpose of this reorganization is to make the activities and functions of the commission more dynamic because the commission's activities concern the defense and maintenance of Honduran sovereignty and territorial integrity.

The criteria upon which this reorganization was based are honesty, well-known work experience and the principle of national integrity to successfully undertake such important functions for the country's life. Therefore, the Joint Border Commission has the following members: Foreign Secretary Edgardo Paz Barnica, ex-officio chairman; undersecretary Minister Rodolfo Rosales Abella, ex-officio member; members Pedro Pineda Madrid, Ramon Balladares Soto, (Luis Martinez Figueroa); advisers (Jorge Ramon Hernandez Alcerro), Carlos Lopez Contreras, (Gerardo Martinez Blanco), (Roberto Arita Quinones), (Eduardo Martel Mejia) and (Geo Balladares Lanza).

The Honduran Foreign Secretariat has also reorganized the territorial studies commission which provides technical and legal support to the Joint Border Commission and all other affairs dealing with sovereignty and territorial integrity. The following members have been added to this territorial studies commission: Ocol Roberto Palama Galvez and Mario Carias Zapata as soon as he concludes his functions as permanent Honduran representative to the United Nations. The following members will continue to serve on this commission: (Jorge Fidel Duron), Salomon Jimenez Castro, Policarpo Callejas, Arturo H. Medrano and (Guillermo Inestroza).

CSO: 3010/1071

GOVERNMENT CANCELS PURCHASE OF MEXICAN OIL

PA121830 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 10 Mar 82

[Text] The Mexican Government has accepted the Honduran Government's decision not to purchase Mexican oil for the rest of the year. Instead, Honduras will be buying 12,000 barrels daily from Venezuela, Honduran Economic Minister Gustavo Alfaro announced today.

Alfaro explained that an agreement was reached with the Mexican Government and that Venezuela will continue financing 30 percent of the oil purchased by Honduras. Here is Alfaro's statement:

[Begin Alfaro recording] We sent an official communique by telex to the governments of Mexico and Venezuela asking for a new agreement on the supply of oil, based on the oil supply contracts we have with both countries. The main problem with Mexico is that we must receive a mixture of Isthmus oil and Mayan oil, in a mixture of 90:10 which the Texaco oil refinery can handle. The other problem has to do with the conditions of the financial agreement. The Venezuelan contract is much more generous, because 30 percent of what we have to pay, we can use for development projects.

On the other hand, the agreement with Mexico establishes that these funds are only to be used for projects to develop alternate energy sources. It is our opinion that the Venezuelan agreement is much more beneficial at this moment to our country. The Mexican Government has accepted the decision of the Honduran Government not to buy Mexican oil for the rest of the year. Therefore, we will be buying from Venezuela the 12,000 barrels daily we need. Now, we have to talk to the Texaco oil refinery on the processing of Venezuelan oil. [end recording]

CSO: 3010/1071

SANDINISTS CHARGED WITH KIDNAPPINGS, MURDER

PA132124 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 12 Mar 82

[Text] More than six people have been kidnapped by Sandinist troops in the Guaruma area, Concepcion de Maria, Choluteca Department, according to residents in that area, who charged this in a letter sent to this station. According to the letter, Hondurans (Felix Herrera), (Rodrigo Rodriguez), (Antonio Zelaya), (Rafael Corrales), (Juan Varela) and (David Carcamo) were killed by Sandinist troops after being kidnapped and savagely tortured.

The letter adds that all residents in that area live in constant fear of the militiamen who enter Honduran territory and commit all kinds of crimes against humble Honduran citizens.

The letter also notes that after the Nicaraguans kill some compatriot, they return to Nicaragua to bury him, in order not to leave any traces or evidence of their crimes.

According to the letter, the Sandinists enter Honduran national territory through this area whenever they want, while the Honduran soldiers in charge of the area's vigilance remain in their garrisons.

The Guaruma residents want the armed forces to instruct their units in the area to perform their duties, or to at least allow area residents to carry weapons so that they can defend themselves from the Sandinists who enter our territory constantly.

According to the letter, the Sandinists often justify their crimes by alleging that those who are killed were counterrevolutionaries.

The letter says in conclusion that the Sandinists, who are referred to in rather unpleasant terms have informants in the town. For this reason, the signatories of the letter ask that their names not be disclosed, for fear of subsequent reprisals.

CSO: 3010/1071

ARMED FORCES CHIEF NAMED TO REFUGEE COMMISSION

PA051432 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 4 Mar 82

[Text] The armed forces chief, Col Gustavo Alvarez Martinez, has been appointed to the National Refugee Commission. This is in order to control better the refugees who, according to the police, hide arms in the camps when nobody is looking.

Since Colonel Alvarez has so many responsibilities, Col Jose (Abdenego) Bueso Rosa, chief of the armed forces general staff, will represent him at the National Refugee Commission meetings. The presence of the head of the armed forces or his representative at the National Refugee Commission is based on the regulation recently approved to help the commission work more efficiently.

The army's participation in the Refugee Commission was approved because there are still guerrillas hiding in the camps.

It was disclosed that the coordination plan for refugees aid will continue to be managed by the National Emergency Evangelical Committee, CEDEN.

Yesterday, newsmen visited the CEDEN offices to learn of the institution's plans, but the new director, (Dorca de Gonzalez), granted no interviews to the press. The newsmen were told that they needed an appointment to see her. Too bad (Dorca de Gonzalez) is adopting a bureaucratic stance, just like her predecessor's, and is preventing the media from reporting on this organization.

(Noemi de Espinoza), the previous director of CEDEN, earned 2,500 lempiras per month and she only gave interviews to U.S. newsmen. She travelled frequently to the United States with all expenses paid by CEDEN.

The new CEDEN director is apparently treating Honduran newsmen the same way.

CSO: 3010/1043

BRIEFS

LIBERAL-LABOR SPLIT--We do not intend to pose any demands, make ironic remarks or oppose the government or the military, because we have a new administration which is supposed to make historic corrections. Let us, however, look at some things which have started to look bad. One of the things that looks bad, really bad, is the sudden shuffles, the massive, sudden, frequent, constant and crushing dismissals, like that which occurred yesterday, when close to 400 employees were dismissed from a single government office. It may be that purely administrative reasons, particularly money, are the real reason behind the mass dismissals. However, if the workers do not know about this--or, better put, do not understand it or fail to receive appropriate explanations--we feel a rupture between the labor sector and the liberal government of Roberto Suazo Cordova is imminent. The government has taken the path of disavowing the unions and has carried out true mass dismissals. This is tantamount to provoking dangerous reactions from the labor federations. The liberal government seems to be ready to give up the substantial support which the organized working class can give to the newborn government. [Roberto Wong Arevalo] [Excerpts] [PA161850 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 16 Mar 82]

LEFTWING TO FOREIGN MINISTRY--Ernesto Paz (Aguilar), former leader of the Honduran University Students Federation [FEUH], joined the Foreign Ministry [as heard] yesterday. Paz' appointment as head of the treaties department was interpreted as a gesture of cooperation with Suazo Cordova's liberal government by the traditional leftwing. Yesterday, the Honduran Foreign Ministry announced Paz' appointment as new chief of its treaties department. Paz replaces lawyer (Santiago Flores Ochoa), who has been retired for health reasons after many years of service in several Foreign Ministry departments. Paz is a graduate of the school of legal and social sciences of the university and has a doctor's degree in political science and public administration from the Sorbonne of Paris. Until his appointment Paz was a professor at the National Autonomous University of Honduras. During his school years, (Neto) Paz, as he is popularly known, was leader of the FRU [University Reform Front]. He led the FEUH in 1973. In addition to his professional experience, Paz' personal history includes many elocution prizes. He will assume his office today. [Text] [PA162015 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 16 Mar 82]

NO VAL OF ADVISERS DENIED--Tegucigalpa, 14 Mar (ACAN-EFE)--The U.S. and Argentine embassies denied today that 55 advisers from their countries arrived recently in Tegucigalpa. The charge about the alleged presence of the advisers was raised by the National Coordination Organization of Solidarity With the Salvadoran People and reported by AGENCIA INDEPENDIENTE DE PRENSA, which is connected with the Salvadoran leftwing. Argentine ambassador to Honduras, Arturo Ossorio Arana told ACAN-EFE that his government is tired of the misinformation campaign against it and that the report about the alleged presence of Argentine military personnel in Honduras is one more battle in this war. "There are no Argentine military advisers in Honduras and my government does not believe in sending troops to any country facing internal conflicts," Arana Osorio said. He explained that Honduras and Argentina cooperate on military matters and that cadets from both countries usually attend joint courses either in Buenos Aires or Tegucigalpa. Meanwhile, the U.S. International Communication Agency in Tegucigalpa told ACAN-EFE that no new U.S. advisers have arrived in Honduras. Honduras maintains a large military cooperation program with the United States that includes the presence of 20 U.S. advisers in Honduran units and an office for that military group in Tegucigalpa. The Honduran army's public relations office noted that "we have military cooperation programs with the United States and Argentina but have not received any military advisers in the last few months." [Text] [PA141830 Panama City ACAN in Spanish 1542 GMT 14 Mar 82]

RADAR IN FONSECA GULF DENIED--Tegucigalpa, 6 Mar (AFP)--The Honduran Navy denied today that it is installing a powerful radar [words indistinct] in the Gulf of Fonseca, a maritime area shared by Honduras, Nicaragua, and El Salvador. (Julio Raudales Soto), head of the Honduran Navy's Public Relations Office, said that "it is absolutely false that the Honduran Navy is installing a powerful radar station, with U.S. technical advice, as claimed in this capital by [words indistinct]." (Raudales) said: "The only radar installations, on the Honduran island of El Tigre, are the conventional units used by coastguard patrol boats, which are used in navigation by ships of all countries." [Text] [PA070110 Paris AFP in Spanish 2257 GMT 6 Mar 82]

CSO: 3010/1043

PROFILES OF RISING POLITICAL PERSONALITIES

Mexico City EL SOL DE MEXICO in Spanish 14 Feb 82 pp 1-A, 9-A

[From the "Behind the Power" column by Pablo Martinez Oaks]

[Excerpt] The political picture of the next government is beginning to become clearer. Little by little the key figures who will be the future leaders of the executive and legislative branches are emerging.

It is well known that Manuel Bartlett, Carlos Salinas, and Miguel Gonzalez are in a good position within the ranks of the candidate, and that the fortunes of Francisco Rojas and Rodolfo Lugo are gaining ground and that Gabriel Garcia and Emilio Gamboa are cards that can be played later.

This time neither the Senate nor the Chamber of Deputies will serve as a springboard for those who will comprise Miguel de la Madrid's cabinet.

With regard to the legislative branch, a whole host of names is being sifted and those who will occupy key posts in both houses as a result of party service are beginning to be named.

The figures of Gonzalo Martinez and Jose Luis Lamadrid are emerging as the men who will take over control of the upper and lower houses. Their appointment will be one of the relevant facts that will make it possible to outline the moral stature and ideological level of the legislative branch for the next presidential term.

At this time we take into account the high level of culture and the vast political experience of the possible leaders. The biography of Gonzalo Martinez Corbala reveals the following facts: member of a good Potosi family with an outstanding diplomatic career whose brilliance came to light during the Chilean crisis with the fall of Salvador Allende and his friendship with Fidel Castro. Martinez Corbala was a candidate for governor of San Luis Potosi, a director of Diesel Nacional, and a well-known contractor for Mexican Petroleum.

[Photo on following page]

Photo Caption:

Jose Luis Lamadrid can be said to be one of the most valued and outstanding pupils of Jesus Reyes Heróles. He has been a close collaborator of Jesus (of Vera Cruz) during his career in the PRI [Institutional Revolutionary Party]. There he was secretary of social action and prepared the Lopez Portillo administration's platform. Jose Luis Lamadrid representing Jalisco, made important contributions while serving in the Chamber of Deputies. His last post was assistant secretary of government, and from there he was named to an anonymous position in Programming and Budget. Jose Luis Lamadrid is, without doubt, one of the most promising PRI figures on the political scene.



9015

CSO: 3010/955

PRI PRESIDENT ISSUES ANTICOMMUNISM APPEAL

Mexico City EXCELSIOR in Spanish 14 Feb 82 pp 1-A, 9-A

[Article by Humberto Aranda]

[Excerpt] The PRI [Institutional Revolutionary Party] is frankly anticommunist and antifascist, Pedro Ojeda Paullada, president of the party declared yesterday. He urged party members to publicly unmask and repudiate fascists and reactionaries who try to deceive the people with their harangues, and to embrace the principles and ideology of the PRI with valor, "because such principles are incompatible with the totalitarian doctrines of all of these ideologies."

The Declaration of Principles, he added, "clearly states that we oppose all totalitarian systems, of whatever kind. This is very different from McCarthyism, persecution, and witch hunting."

He explained that "We can indeed be against such ideologies, and so we are. The PRI is against fascist, totalitarian governments and against imperialism. Our program is eminently nationalist, revolutionary and working class."

The definition of the PRI was made by Ojeda Paullada during a business meeting of the National Party Integration Commission of the PRI, which was attended by members of the National Executive Committee, regional and at-large delegates, presidents of state committees, and secretaries of organization and election campaign offices from all over the country.

The meeting took place in the new PRI building; there were morning and afternoon sessions and its object, it was learned, was to take advantage of the experience and capabilities of PRI stalwarts to augment and improve party performance with new ideas and a permanent revision of systems and means, but at the same time persevering in its aims.

In his speech Pedro Ojeda Paullada asked:

Why are we now ashamed to be called anticommunists? Why do we fall into the trap of thinking that to be considered anticommunist is McCarthyism?"

Regarding the opposition, he said that "we PRI members must always be alert to the initiatives of the opposition parties so that we can refute them adequately,

because we cannot allow their pronouncements to give the impression that they are accepted by the revolutionary community because they do not receive the vigorous repudiation many of them deserve."

With specific regard to recent statements made by Jose Angel Conchello, former president of the PAN [National Action Party], he said they show the true motives of the party which he represents so prominently.

"The PRI must unmask this type of activist so that the people can know them and can make rational political decisions."

However, Ojeda Paullada indicated that party members should not fall into the temptation of anathematizing or damning just for the sake of damning.

He praised the Political Reform promoted by Lopez Portillo and gave assurances that it maintained the thesis of opposition to totalitarian systems.

In reiterating that the position of the PRI is nationalist and asking party members to raise the banners of its doctrine and ideology and confront these systems, he pointed out:

"How will politics survive and how will there be a choice of programs if we of the PRI do not say that we are behind ours and at the same time, though it be by exclusion, that we oppose other programs. If we do not engage in debate, then we are not a party," he affirmed.

9015

CSO: 3010/955

PSUM REJECTS CALL FOR ANTICOMMUNISM

Mexico City EXCELSIOR in Spanish 14 Feb 82 pp 1-A, 10-A

[Article by Nidia Marin]

[Excerpt] The Unified Socialist Party of Mexico stated that "whoever makes anticommunism a watchword is against progress and democracy."

Meanwhile, the Revolutionary Workers Party indicated that the president of the PRI [Institutional Revolutionary Party], Pedro Ojeda Paullada, "was frank" and the Mexican Democratic Party commented, "The PRI has been rightist for a long time." In reacting to the ideas expressed by the PRI leader during the National Party Integration Meeting, the PSUM, through Deputy Gilberto Rincon Gallardo, stated that the Institutional Revolutionary Party "is espousing anti-communism," but he stressed that "it is very dangerous to say this, especially the way Ojeda Paullada said it."

"Because it is one thing to be unsympathetic with communism and very different to be anticommunist.

"Between them there is an abyss," the legislator said, and he added:

"Everyone knows what has been done in the name of anticommunism, and it is in the name of anticommunism that peoples' freedom is asphyxiated."

He remarked further, "McCarthyism and anticommunism are the same."

After indicating that it was implicit in the Ojeda Paullada statement that "there can be no progressives within the ranks of the PRI," Rincon Gallardo emphasized that these ideas were "dangerous" "because they leaped the boundaries of existing traditions, right within the so-called revolutionary family."

"This is tantamount to openly declaring oneself to be rightist.

This is what the statement by Ojeda Paullada implies. They might as well change the name from PRI to PAI [Institutional Anticommunist Party]," he concluded.

The Workers Revolutionary Party stated through Hector de la Cueva, member of the Political Committee, that the declaration of the PRI leader "is an open

avowal of the policy the PRI has always had, except now it is devoid of the demagogic and populist veils that have always hidden it."

"This confirms once again the turn to the right that was evident in the PRI candidate's campaign and the fact that the workers can only expect rightist policies to spread and to experience new attacks on their labor, political, and economic rights in the next presidential term," he explained.

And he added, "The declaration does not surprise us. Ojeda Paullada was frank."

But he pointed out, "The PRI cannot declare itself to be anticommunist without calling upon its members to defend that anticommunism and without encouraging McCarthyism, either through the government or through its repressive organs.

Because now they are going to feel encouraged to repress those who belong to the Left, either they or the ultrarightist groups that have proliferated recently."

He stated that what the PRI leader said will be reflected in Mexican foreign policy; it will loose a witch hunt, and is, in addition, dangerous."

In conclusion, De la Cueva said, "It would appear that the PRI wishes to compete with the PAN [National Action Party] in its rightist statements."

9015

CSO: 3010/955

PCD SUPPORTS BISHOPS' STATEMENT ON MISKITOS

PA081450 Managua Radio Corporacion in Spanish 1230 GMT 7 Mar 82

[Statement issued by the Nicaraguan Democratic Conservative Party in Managua on 25 February]

[Text] The national plenum of the Democratic Conservative Party, PCD, with the participation of representatives from the departments of Boaco, Carazo, Chinandega, Chontales, Granada, Masaya, Managua, Matagalpa, Leon, Rivas, Esteli, Nueva Segovia and Zelaya, unanimously decided in a general meeting at PCD headquarters on 25 February 1982 to give its total support to and express its solidarity with the Nicaraguan Episcopal Conference, the nation's highest religious and moral authority.

The PCD believes that each and everyone of the bishops who comprise the Episcopal Conference, embodies as pastors of the Church of Christ the religious feelings and beliefs of the great majority of Nicaraguans, and therefore deserve the respect and esteem not only of the citizens but also the authorities at all levels in the country.

The national plenum also believes that the unwonted way in which the government authorities and their spokesmen have addressed the bishops of the Episcopal Conference offends the Christian spirit of the Nicaraguan people, creating serious friction between the church hierarchy and the temporal powers. This deeply affects the normal relations that should exist between the church and state.

The party also believes that the signing of a document of such a magnitude by the bishops was done with full and exact knowledge of the facts and circumstances that led to their paternal and firm pastoral document, which should not be questioned by the parishioners to whom it was addressed but should be the object of deep analysis and reflection.

The FSLN leaders acted hastily in trying to angrily object to a document with a high social and Christian content such as the Episcopal Conference communique regarding the situation of the Miskitos and the transfer of their communities. This document shows the church hierarchy's concern with the fate of its most humble children.

Therefore, we have decided to present to the archbishop of Managua, the highest authority of the Catholic Church in Nicaragua, this document, which expresses the feelings of all the country's conservatives. We have also appointed National Executive Council members Jose Castillo Osejo, national coordinator; Enrique Sotelo Borgen, deputy national coordinator; Clemente Guido, secretary of political training; (Mirian Arguello Morales), national secretary of organization; and Emilio Alvarez Montalvan, director of the political training school, to present this document and personally express to Archbishop Miguel Obando y Bravo our Christian obedience and our personal support.

God, order and justice. PCD

[Signed] Jose Castillo Osejo, national coordinator; Enrique Sotelo Borgen, deputy coordinator; Clemente Guido, secretary of political training.

CSO: 3010/1045

REFLECTION MEETING PARTICIPANTS LIST RECOMMENDATIONS

Managua LA PRENSA in Spanish 24 Dec 81 p 7

[Text] We, the participating organizations in the National Meeting of Reflection and Convergence, covering the subject of "National Planning," have reached the following considerations and recommendations:

Whereas: Nicaragua is an eminently agricultural country whose economic and social development is linked to the changes that are made in agriculture through an integral, democratic, antioligarchic and antiimperialist agrarian reform which would solve the big problems of the peasants and farm workers without or with little land;

Whereas: All the facilities necessary to promote production and productivity must be placed at the service of agrarian reform so that the latter can be profound and real;

Whereas: Nationalization of foreign trade has been a great achievement of our revolution by introducing healthy rationalization criteria for our exports as well as for the supplies which our country requires;

Whereas: It is necessary to formulate and strengthen a foreign marketing policy which includes defense of the national producer not only so far as obtaining better prices is concerned, but also to guarantee prices to domestic production so as to keep it safe from the fluctuations of the international market;

Whereas: An atmosphere of trust is necessary so that production and productivity, vital elements for the upswing of our economic development, are motivated by the factors of capital and work;

Whereas: As a result of our revolution, the workers have gained the right to exercise vigilance and responsible, orderly management and without arbitrariness in the centers of production, for the purpose of increasing productivity, preventing decapitalization and getting the workers to participate progressively in the management of the economy;

Whereas: Work indiscipline is, among others, one of the causes of disorganization of work in our country and of the gradual deterioration of production and of the economy;

Whereas: It is necessary to have an economic plan for 1982 based on our national situation and with the support of all the sectors of the economy;

Whereas: The national entrepreneur is an important factor of the country's economy and, therefore, he should have assurance and guarantee for his investment;

Whereas: Our country, in order to come out of underdevelopment, needs increasing investments that enjoy unbiased guarantees;

We therefore resolve to recommend the following to the government and to the other active organizations of the country:

1) That the recently enacted Agrarian Reform Law first of all benefit impartially the peasants and farm workers who have no land or insufficient land; and that, in addition to possession of land, other forms of organization and production should be considered, favoring cooperative ownership with an organizational method of associated work, and that the state provide technical assistance, grant credits and solve the problems of infrastructure, supply and marketing;

2) That those facilities, in addition to the ones affected by the law, that belong to the state and are productive but the latter cannot manage efficiently, be placed at the service of agrarian reform;

3) That the state be more active in the orientation and control of trade from and toward Nicaragua by the selection of better qualified and consistent technical and bureaucratic personnel, and that such trade should mean more than just diversification of markets, attention to better prices for our products and assurance of better conditions for our domestic supply. The promotion of industrial development is therefore recommended, with emphasis on the agro-industry which requires the creation of an Economic Fund of Industrial Accumulation that would get its capital from a percentage of the proceeds from total exports, especially the nontraditional commodities;

4) That the creation of a Stabilization Fund be promoted from the accumulation of surpluses generated from the "high peak" prices of the international market;

5) That productivity should not be considered solely in relation to profit but also as a benefit to the community through incentives, particularly on wages, employment and job training; and as improvement of the existing technology and replacement of the obsolete one, in seeking the most appropriate for the development of our country;

6) Promotion of the participation of workers in the administration of production centers by means of comanagement or codetermination, and in the systems of cooperation and other associative methods by means of self-management;

7) That consistent measures be adopted so that indiscipline and other causes of disorganization which cause the gradual deterioration of production, of work places and of our economy, are eliminated at the production centers;

8) That all sectors of our economy be consulted on the economic plan that the Government prepares for 1982 so that it is the result of a general consensus and it is implemented under the responsibility of the planning agency with the participation of each one of the sectors of the economy;

9) That the Government declare a framework of assurances and guarantees which would permit the national [entrepreneur] to invest with confidence and manage his enterprises efficiently; and

10) That a Foreign Investments Law be enacted and implemented, taking into account the national development plans without discrimination and giving the foreign investor an opportunity to invest in our country with increasing confidence.

Managua, 22 December 1981

Popular Social Christian Party (PPSC)

Social Democratic Party (PSD)

Independent Liberal Party (PLI)

Social Christian Party (PSC)

Federation of Nicaraguan Workers (CTN)

Confederation of Labor Unity (CUS)

9925

CSO: 3010/784

PCD PROPOSES PLAN FOR PEACE, CONCILIATION

Managua LA PRENSA in Spanish 28 Dec 81 pp 1, 12

[Text] The Conservative Democratic Party of Nicaragua [PCD] has put forth to national consciousness an alternative program which would conciliate all parties and permit the development of a revolution in Nicaragua that would be the model of the Americas.

The PCD has made the momentous call in its yearend message, released on its weekly program "Conservatism on the March," and it is being distributed to all members and leaders of the party.

End of Hatred

In its call, the PCD urges "an end once and for all to the specter of hatred, poverty and disunity which have brought so many problems to our suffering nation and have sunk us in a pit of doubts, distrust and fears."

The Alternative

As an alternative, the conservative democrats propose "Planned Democracy" or "Plan to Attain Peace, Freedom and Development."

"We want to make available to everyone our concerns and thoughts, in an effort to find realistic solutions," the conservatives say in their message.

The Methodology

The PCD plan says: "The political parties, including the ruling party, should sit at the negotiating table, ridding themselves of ideological interests and possessed of the best intention, to discuss each of the points of the plan, previously drafted, analyzed and enriched by each organization."

"Should a consensus be reached," continues the PCD, "the party that gains power by means of completely free elections, must launch the plan without moving away from it. If that party were to lose power in the following election, the winner will continue with the agreed upon and signed plan, and with the general support of all the political, labor, trade union and professional organizations. In other words, all would be involved in the fulfillment of the plan, without losing their identity, their proselytism and their struggle to gain power."

"In this way," say the conservatives, "the revolution would not be held back and its development would proceed in stages until the total happiness of all Nicaraguans is achieved."

The Topics

The topics of discussion to draft the plan would be the following: integral agrarian reform, development of the private sector, professionalization, technicalization, health sector, schools, institutes and universities, capital placed at the individual and collective service, fulfilling the social function, development and exploitation of the marine sector, and so forth.

The Desired Goal

Referring to its call, the PCD concludes saying: "Only in that way can we reach the desired goals and solidify the freedom and right that every man has to be happy."

9925

CSO: 3010/784

PCD PARTY OPINION ON POLITICAL PARTIES LAW

PA081910 Managua Radio Corporacion in Spanish 1230 GMT 7 Mar 82

[From the "Conservatism on the March" program: statement by Jose Castillo Osejo, national coordinator of the Democratic Conservative Party--recorded]

[Summary] The Democratic Conservative Party [PCD] appointed a legal committee of Attorneys (Julio Ruiz Quezada), Enrique Sotelo Borgen and (Myriam Arguello Morales) to study the political parties bill. Copies of the document were distributed to all party departmental coordinators for their recommendations to the party's Executive Council.

The PCD legal committee's observations and recommendations, which were passed on to Deputy Commander Dr Rafael Solis Cerda, secretary of the State Council, on 4 March:

1. Bill not a true law. A true law must cover the whole nation, not just a determined sector of the country.

"This bill is trying to impose the political thought of the Sandinist party. This bill will be the same as denying the political pluralism accepted in the fundamental law and in the law of rights and guarantees of the Nicaraguans. The imposition of that law would mean accepting one sole party, which would mean leading the country to a true totalitarianism."

This committee does not approve of Chapters III, IV and V, although they talk of economic independence, pacifism and so forth. Article IV mentions the support to people who struggle for their national and social liberation, but it does not specify whether this will be moral or armed support.

2. Denial of the true character of political parties. "The bill denies the political parties the legitimate right to aspire to political power and to govern according to its own ideology." If we were to accept the bill, all parties would be denied the opportunity to reach power.

3. Public order. The committee is of the opinion that the political parties law must not be a law on public order, by which is meant a law that affects society and its guarantees. "It is very dangerous for a law that will regulate

the creation and functioning of political parties to be given this feature which would leave in the hands of the state the power to stop, sanction, or in any other way, deny the participation of other political parties in national life."

4. Political parties rights and duties. The bill has important omissions. It did not include the rights of parties to aspire to power, the right of parties to government financing, or that the right to hold meetings should be guaranteed and that parties should be authorized to present a list of their own candidates. We did not find in the bill anything related to the duties or obligations of the parties. Article IX gives the impression that the existence of the parties is contingent on their remaining in the State Council. In our opinion, this is a right of parties, not an obligation.

5. Organization in charge of applying the law. "It is very dangerous for the organization in charge of applying the law on political parties to be part of the Government Junta of National Reconstruction." The organization should be autonomous, preferably a government power as is the case in all democratic countries of the world.

6. Formation of political parties. Articles XIV and XVIII contradict Article XXV of the law on rights and guarantees. The bill restricts the right to form political parties.

7. Authorization for the parties to function. This committee believes that it is not logical that the authorization of a political party to function should depend on the government junta. "This would be granting all-embracing powers to the executive power." We believe that too many parties are as harmful as one party. Parties should be made of not less than 5,000 members. We do not approve of Article XX. It would also turn the organization into an appeals court which would pass sentence on what it already determined.

8. Suspension and cancellation of political parties. "Regarding the suspension of the political parties, it is our opinion that the four chapters of Article XX should be removed and simply state that the parties may be suspended for not complying with the dispositions of the main law and of the law of rights and guarantees of Nicaraguans." We can never accept Article XXIII of the bill because the presence of the parties at the State Council is what gives life to it and not the other way around. So the right of a party to remove its representative cannot be denied. All procedures must be done before an autonomous electoral organization and appeals must be made to the Supreme Court of Justice.

CSO: 3010/1070

COORDINATING BOARD PROMOTES JUST PARTIES LAW

PA132144 Managua Radio Corporacion in Spanish 1200 GMT 11 Mar 82

[Communique issued by the Ramiro Sacasa Guerrero Democratic Coordinating Board in Nicaragua on 10 March--read by Sergio Mario Montealegre]

[Text] The political parties that comprise the Ramiro Sacasa Guerrero Democratic Coordinating Board have supported and do support the concept of a political parties law that is democratic, pluralistic and in line with the original government program, the fundamental statute and the statute of rights and guarantees for Nicaraguans, which reflect the Nicaraguan revolution's institutional framework.

Within this spirit, the democratic parties supported the draft of the law presented to the State Council by the Democratic Conservative Party [PCD], which was then shelved without any discussion by the frontist steamroller of the State Council.

The democratic coordinating board publicly released a bill on political parties so that the Sandinist front and its government would give consideration to the democratic and pluralistic aspirations of the Nicaraguan people, who are eager to practice a [word indistinct] political exercise through democratic elections that would reflect the real will of the people.

On two occasions however, the Sandinist front party has issued several bills, which it called working documents, that, besides showing a [word indistinct] intention, demonstrate the ruling party's totalitarian desire by proposing [words indistinct] express the badly concealed intention of turning the parties into mere collaborators with the frontist government and in this way [words indistinct].

It is also noted that the much touted political parties law has appeared before national and international public opinion as a demagogic argument to convince the people that there is national unity and a real interest in normalizing Nicaragua's political situation to [words indistinct]. Such political parties bills of the front [words indistinct].

time and again, the front and its government have postponed (or completely terminated) discussion of the political parties law in the State Council. It is curious that a new bill or a new working document was issued precisely when the Socialist International was going to meet in Caracas and just before the permanent conference of Latin American political parties was going to meet in Managua, at the invitation of the frontist government.

The Nicaraguan democratic parties that are members of the democratic coordinating board firmly oppose the draft of the political parties law presented by the Sandinist front, as it does not reflect the Nicaraguan people's desire to elect their rulers through universal suffrage. We support the bills presented by the PCN and the democratic coordinating board and promote analysis and discussion based on these two documents and the subsequent drafting and approval of a truly democratic and pluralistic political parties law, which would guarantee all political parties the possibility of reaching power and of implementing a program intended to achieve the common good of all Nicaraguans, based on the essential principles of the Nicaraguan revolution.

[Signed] The Nicaraguan Democratic Movement, the Social Democratic Party, the Social Christian Party and the Constitutionalist Liberal Movement.

CSO: 3010/1070

SANDINO SAYS U.S. PROMOTING TENSION IN AREA

PA132129 Managua Radio Sandino Network in Spanish 1200 GMT 12 Mar 82

[Text] News dispatches from Tegucigalpa and Panama City were received yesterday within a few hours of each other in various Central American capitals. Those reports have increased the concern in the area amid the atmosphere of tension being promoted by the United States in Central America.

Fifty-five foreign advisers, including North Americans and Argentines, arrived in Tegucigalpa on Tuesday night while there was mock attack on Toncontin airport. Spokesmen for Honduran union and solidarity organizations charged that the group arrived on a Taca Airline flight from San Salvador and that the group was met by security agents of the Honduran Government who took them to an unknown destination.

The Honduran Coordinating Board of Solidarity With El Salvador also indicated that among others, Argentine army Col (Santiago Villega) is in the Honduras Maya hotel. He reportedly arranged for the arrival in Honduras of 10 jeeps from Argentina for military operations.

From Panama City, it has been reported that the U.S. Southern Command has confirmed that three helicopters and paratroopers from its bases in the canal area have been sent to Costa Rica. The force sent to Costa Rica includes logistics personnel of the 210th Air Combat Battalion and 193d Infantry Brigade as well as 60 paratroopers and a command [commando] of the same battalion. They will be carrying out maneuvers to be directed from the Howard Air Base in the Panama Canal area. The troops of the 210th Combat Battalion will undertake training in parachute drops and night landings until 1 April.

These events are taking place amid charges of possible paramilitary actions against Nicaragua, the statements of high-ranking officials of the Reagan administration about the urgent need to act in Central America and when the Caribbean Sea is site of the safe pass 82 maneuvers organized by the NATO.

CSO: 3010/1070

REBELS DETAIL ALLEGED ABUSES ON ATLANTIC COAST

PA132257 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT
12 Mar 82

[Summary] This is a report on what has occurred in the Indian communities on the Atlantic coast during December 1981:

On 23 December, the mangy dogs' genocidal forces attacked the Indian communities of Asang and San Carlos, along the Coco River. "They killed 60 Indian brothers using 80-, 100- and 250-pound bombs." The genocidal forces also captured 15 Indian brothers whom they took to Waspan and Puerto Cabezas. In Asang, these same forces "established several military air bases and stationed a minioccupation army made up of 150 frontist henchmen. Half of them were Cuban.

"In San Carlos, they reinforced their criminal troops with an additional 300 men. Over half of them are Cubans." San Carlos and Waspan were placed under martial law to prevent the villagers from leaving for Honduras and instead they were forced to dig trenches for the genocidal troops. Afterward all the villagers were taken to concentration camps.

On 22 December, the dictatorship troops captured 80 residents from Leimus, near Waspan and from Asang, San Carlos, Waspuck, Krasa and other communities. All were taken to concentration camps.

"In the evening of 23 December, the genocidal mangy dogs killed 35 of these Indians and buried them in a common grave."

On 24 December, the FSLN troops murdered another 12 Indians; their bodies thrown into Coca River.

On 25 December, two Indians were buried alive in Leimus. We are still trying to locate the bodies of other 80 Miskitos murdered by the FSLN dictatorship. A concentration camp has been set up in Leimus.

Reports that "from helicopters, the FSLN troops have been dropping Indian brothers, with their hands and feet tied, into the river." This has been done in Raudales, Raiti, (Amiwak), Walakitan, Bocay and other

places. Many of these Indians were enrolled in the Sandinist militias, but were punished for refusing to massacre their own people. The dictatorship's military garrisons in all the previously mentioned communities are composed of 100 to 300 men.

The following are the incidents which occurred in the same region during January 1982: On 7 January, 300 henchmen of the FSLN dictatorship occupied Sandy Bay, where they arrested 40 of our Indian brothers and took them to the regime's dungeons in Puerto Cabezas. Many of our Indian brothers have had to flee to the jungle to escape the FSLN persecution.

The dictatorship shut down the only hospital that existed in Bilwascarma, which was turned into a military post. The village was placed under martial law.

Oli, another village on the banks of Coco River, was shaken by six powerful explosions. The villagers took refuge in Honduras.

With all this repression and persecution, it is estimated that more than 40,000 of our Indian brothers have taken refuge in Honduras.

CSO: 3010/1070

'RADIO HAVANA' INTERVIEWS NICARAGUA'S CORDOVA RIVAS

PA061635 Havana International Service in Spanish 0000 GMT 6 Mar 82

[Interview with Dr Rafael Cordova Rivas, member of the Nicaraguan junta of the Government of National Reconstruction, by Pedro Martinez Pires; date and place not given--recorded]

[Excerpt] [Cordova Rivas] I have come to discover Cuba and it has been a fantastic discovery. I had no idea it was this way. The gigantic nature of all of its works can only be achieved through the energy released by the masses, as Lenin used to say. To this I would add: through the historic energy released by Commander Fidel Castro.

[Question] In terms of Nicaragua's current situation, I would like to ask you your view on the project recently presented in Managua by Mexican President Jose Lopez Portillo.

[Answer] I think that President Lopez Portillo's project is a great one. I think it should be implemented, since it would prevent the perils of a world war. It is really worrisome that the White House people are not aware of the danger inherent in their self-indoctrination on the need to resort to violent and arbitrary actions. I think that the Americans' problem derives from the fact that they do not know what to do with these revolutions. Their compass is damaged. We know what we are going to do with the revolution, but they don't know what to do about it. I suppose they are justifiably afraid that other Latin American countries might follow the example set by Nicaragua and Cuba, in order to move away from the economic and political tendency from which they have suffered so long under the United States. They are bothered by the fact that such a small country has disrupted the colonial scheme to which they had become accustomed.

The fact that a revolution, which to a certain extent has been victorious, is currently underway in El Salvador increases the empire's concern about this area. It is painful, however, that they have failed to understand both the political scope of Lopez Portillo's statement and the need to somehow solve the Central American and Caribbean political crisis.

The worst part is that the loud and violent statements made by President Reagan, Haig and all of the other hawks actually [word indistinct] them. A critical moment might be created in which they would believe their own statements and would commit another of the barbarities that they have committed in the past.

[Question] What do you think is the Nicaraguan people's major force in confronting, as they are, the current economic, diplomatic and military maneuvers to destabilize the Sandinist revolution?

[Answer] The majority of Nicaraguans have great confidence in the FSLN directorate.

[Question] Cordova, if you had to define the Sandinist revolution's major achievement in a single word, what would it be?

[Answer] Having [word indistinct] youth in Sandinist and Nicaraguan nationalist.

[Question] Do you think that the Nicaraguan feat is irreversible?

[Answer] Yes, I think that the Nicaraguan feat is irreversible. Nicaraguans will not surrender to the new Romans. Rest assured of this, for doing so would be equivalent to betraying the new efforts to construct the Nicaraguan nation. We have enough youths, both organized and non-organized, who would respond with their lives for the country's sovereignty and independence.

CSO: 3010/1069

PDC LEADER INDICATES NATION ATTRACTING WORLD ATTENTION

PA142114 Managua Radio Corporacion in Spanish 1230 GMT 14 Mar 82

["Conservatism on the March" program of the Nicaraguan Democratic Conservative Party, PDC, with guest Enrique Sotelo Borgen, PDC deputy coordinator, and moderator Jose Castillo Osejo--live or recorded]

[Excerpt] [Question] I want to get your opinion about something that has caught my attention. Lately, there have been visits in the country of personalities and officials of democratic Western countries who have wanted to obtain firsthand information on our country rather than just reading about it in the news dispatches. For example, members of the British House of Commons, two Conservatives and two Laborites, arrived to talk with the Nicaraguan Government. We Conservatives also spoke with them. We held a long talk with them. An FRG minister also visited the country to gather information about our country. Newsmen from all over the world, particularly from Europe which is very interested in the Central American problems, have been arriving in Nicaragua. What is your opinion of these visits?

[Answer] Nicaragua has attracted international attention due to the trends toward the establishment--we are not the ones saying this but the democratic and European leaders--or the attempt to establish in Nicaragua a Marxist Cuban-styled government allied with the Soviet Union. This has naturally led to a reaction from the democratic countries and more important, great domestic reaction and displeasure. Nicaragua should not in any way align itself with the Soviet Union and the pro-Soviet countries.

I would like to give you an example of those trends. You see the newspapers here full of insults and charges against the U.S. Government. In a newspaper yesterday there was a line of photos of a group of criminals of something like that and it was headed by U.S. President Reagan. You read BARRICADA and see the same thing. It is full of attacks against the U.S. Government and its officials. In BARRICADA on 11 March you will see a headline saying: Brezhnev for peace in Central America. How ridiculous? I do not think Brezhnev even knew that Nicaragua existed in the past and he is now for peace in Central America. Why isn't he for peace in Poland? Why doesn't he make efforts so that Poland will find true peace and so that the aspirations of the Polish people, particularly the workers, will be

... killed? Why are the Poles being repressed? There is war over there and he comes to seek peace here on a different continent, in a country that is (very far away). Why doesn't he seek peace in Afghanistan?

I am going to give you another example which shows that Nicaragua's policy is not one of nonalignment but of alignment. We see this domestically. The school books--look at how barbarous this is--are exorbitantly expensive. A modern mathematics text for second grade costs 175 cordobas. A lady was telling me this yesterday. A Spanish language text published in Mexico costs 90 cordobas. However, the books on communism, the books promoting the ideas of Marx, Engels and Lenin, the books on communism, the books which exalt the figures of the Soviet and leftist world, cost a few cents. Thick hardbound books cost 15, 20 and 30 cordobas. The books to teach our children to read and write and to take their first educational steps have exorbitant prices. Why aren't those books exempt from duties? How can the Education Ministry not say anything about this textbook situation?

All these details show that Nicaragua is not taking the right path in its foreign policy. This leads to international concern and the visits of personalities who come to obtain firsthand information of the current situation in our country.

Naturally, this does not mean that we (?support any aggression). We do not accept any country's aggression against our own. However, we cannot accept that our country aligns itself where it should never align itself because it would mean the total isolation of our nation. Look, we have lost the friendship of countries that have traditionally been our friends. We have practically lost our friendship with Venezuela. We have serious [word indistinct]. Things are not too good with Costa Rica, Honduras, El Salvador, Guatemala and Peru. In sum, we have turned our backs on our closest friends, our real neighbors. This policy has international repercussions and causes foreign personalities to visit Nicaragua. Nicaragua, which in the past was hardly known, is now attracting world attention and those personalities are coming to our country to see what is going on and to learn whether or not we are harming the international situation and the East-West balance.

CSO: 3010/1069

CLAIMS MADE ON SOVIET, CUBAN MERCENARIES IN COUNTRY

PA131720 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT
11 Mar 82

[Text] Photographs of the ruins of the Atlantic Coast Indian communities that were destroyed by the FSLN military dictatorship were shown to members of the international press. These photographs of the burning and destruction of entire communities were taken in Palo Yumpa, Bum, Ubran, Wiwinak and Rayapura--6 [as heard] of the 35 Indian communities in that region, all located along the banks of the Coco River.

Members of the international press were also told that repression in the Atlantic Coast has increased now that the FSLN Marxist leaders have allowed the presence of Cuban mercenary troops in that part of the country.

We have already reported that approximately 40,000 Miskitos have taken refuge in Honduras and 16,000 have been placed by the FSLN regime in concentration camps similar to Hitler's.

The documentary evidence submitted to the international press confirms Radio 15 September reports on the existence of Soviet-made T-55 tanks in our territory and that 50 more are expected at any time. We have also confirmed the existence of 152-mm howitzers, Mil helicopters, (LCT) amphibious boats and an undetermined number of Soviet aircraft.

Our intelligence services have confirmed that the FSLN dictatorship is building military airports in various part of the country and that it is enlarging landing strips at some of the airports that already exist in the country--such as Augusto Cesar Sandino Airport; Montelimar Airport, a private airport used by Fidel Castro; and the airports in Puerto Cabezas and Bluefields.

Radio 15 September also reported the existence in our country of approximately 60 Soviet mercenaries in charge of organizational and tactical tasks.

During our transmissions last week, we reported the participation of Soviet mercenaries in the burning and destruction of Atlantic Coast Indian communities, a report that was confirmed by a survivor of the genocidal wave unleashed on the Atlantic Coast by the mangy-dogs regime.

have also confirmed reports on the existence of approximately 6,000 in our territory, of which 2,000 are taking part in the criminal activities of the regime, 600 are acting as advisers to the state security's henchmen, 2,200 are in charge of the Marxist-Leninist indoctrination of the Nicaraguan population and the rest are helping the authorities run the torture chambers in the dungeons that the dictatorship has created.

CSO: 3019/1069

FRG MINISTER MEETS FSLN, OPPOSITION LEADERS

'Climate of Detente' Suggested

PA140230 Managua Radio Corporacion in Spanish 2300 GMT 12 Mar 82

[Text] FRG Economic Cooperation Minister Rainer Offergeld has listened to the opposition leaders' views on how the Sandinist process can be returned to the original plan.

Offergeld met for 2 hours with Alfonso Robelo, the most influential member of the opposition and leader of the social democratic Nicaraguan Democratic Movement, MDN. They met to analyze Nicaragua's situation and its political and economic alternatives, noted Alvaro Jerez, the MDN's second-ranking leader.

During a reception at the home of FRG Ambassador Walter Hack, the visiting minister held several meetings with a number of opposition politicians and businessmen. He also met with the coordinator of the FSLN political committee, Commander Bayardo Arce, and with government junta member Dr Sergio Ramirez.

After the reception, it was learned that Offergeld had suggested to the Nicaraguan leaders the creation of a climate of detente in connection with the United States as a means of reducing the tensions in Central America.

The Sandinist leaders had reportedly accepted Offergeld's recommendation on the basis of a political negotiation of the regional crisis.

Two weeks ago, the FSLN proposed a plan to reduce the tension and threats of aggression against Nicaragua through the signing of an agreement preventing support for the counterrevolutionary groups mobilizing in both Honduras and Costa Rica.

Alvaro Jerez, who is in charge of MDN's international relations, noted that Offergeld's visit is a result of the divided views within the Socialist International after FSLN attendance of a meeting scheduled for last month in Caracas was rejected.

so stated that the FRG Government had decided to learn firsthand about the progress of the Nicaraguan process, which has become an East-West problem rather than a regional matter.

According to William Perez, Nicaraguan development institute executive secretary, the Nicaraguan problem is getting out of Nicaraguan hands and might (attain) international proportions.

According to other observers, the FRG Government, which maintains a number of economic aid programs for Nicaragua, could be pressuring the Nicaraguan government to resume the original government plan, which was outlined even before the revolutionary victory of 1979.

Offergeld will continue consulting with business and opposition political sectors. He will end his visit by meeting with government junta coordinator Commander Daniel Ortega Saavedra before leaving for Jamaica, the second stop on his trip through the area.

Minister Concludes Visit

PA40232 Managua Radio Sandino in Spanish 0300 GMT 13 Mar 82

[Text] Upon concluding his 2-day visit to Nicaragua today, FRG Cooperation Minister Rainer Offergeld reaffirmed his country's support for the Sandinist revolution's economic strategy. During his stay here, his delegation met with several representatives of our vanguard's revolutionary government, the Catholic Church, the opposition, and the country's private sector.

At a news conference held at the Augusto C. Sandino International Airport shortly before leaving, the minister said that the development of cooperation between his country and our revolution is positive. He also reiterated the FRG's full support for the revolution's efforts to promote social change. Offergeld added that the revolutionary government's goals--political pluralism, mixed economy and nonalignment--lie at the bottom of these efforts.

Regarding the solution of conflicts in the area, he said this would be possible only if social changes guaranteeing a prosperous future for Central America are brought about.

Finally, he noted that only through the efforts of all political sectors involved can these conflicts be solved peacefully.

30: 340/1069

JUNTA EXPLAINS MISKITO RESETTLEMENT PROGRAM

PA072350 Managua Domestic Service in Spanish 1203 GMT 7 Mar 82

[Communique released by the Nicaraguan junta of the Government of National Reconstruction on 6 March; read by Junta Secretary Rodrigo Reyes--recorded]

[Text] The General Secretariat of the junta of the Government of National Reconstruction hereby notifies the Nicaraguan people of the revolutionary government's efforts in connection with the process of resettling the Miskito people who used to live on the Coco River banks.

The basic goal of the general development program [involves] (Columbus), (Sinohila), (Sasa) and (Huatanoma). The area covers 76,028 manzanas. So far, a total of 8,985 inhabitants have been resettled. All of this has taken place in northern Zelaya, between the Kukalaya River and (Cano Tamarindo), on the (Roseta)-Puerto Cabezas Road.

In terms of the mobilization and transfer of these people, more than \$600,000 was spent on air transport alone. Over 1.5 million cordobas were spent for foodstuff, such as beans, milk, meat, sugar and so forth.

The Government of National Reconstruction is aware of the difficult situation that Nicaraguans of Miskito origin have experienced because of the traditional exploitation to which they have been subjected, after centuries of domination.

On 19 July 1979, when hopes of a better future were born among our Miskito brothers, the terror, raping and assassinations committed by the bands of former Somozist guardsmen, which operate from Honduran territory, sought to destroy those hopes.

The resettlement project is therefore intended to save those people from this Somozist terror and to benefit them with the achievements of our revolutionary process.

(?We already have) a study on the financing required for investments and operation expenses. For the period between 1982 and 1990, we have appointed Commander of the Revolution Henry Ruiz, FSLN National Directorate member and the revolutionary government's planning minister, as the individual responsible for the general development program [words indistinct].

The plan proposed and approved for this year, 1982, represents an investment of over 175 million cordobas. Of these, 58.6 million cordobas will be invested in the construction of over 1,777 houses, 4 schools and 4 health centers. Another 6.1 million cordobas will be invested in a project that will have immediate results.

It is worth noting that the first 300 prefabricated houses are ready for immediate transfer. They will house 300 families. We will also send a total of 50 beds to the Rosita Hospital.

The first school in (Wasalnoma) opens on Monday, 8 March, with 700 students. Plans are already underway to integrate 3,854 students within the four settlements, from the pre-school level to complete primary school. These students will be under the care of 74 teachers.

More than 50 doctors have gone to the settlements to render their services. This has raised the consultation index to one consultation per day per inhabitant, among a people who traditionally lacked all medical attention.

It is necessary to stress the spirit of sacrifice displayed by the doctors, teachers, government officials, armed forces members and militiamen in supporting this project. The enthusiastic and selfless work carried out by the militants of the Sandinist youth and the FSLN also deserve our special acknowledgement.

In regard to an initiative by the Sandinist Workers Federation, proposing that a talkathon be held in behalf of our Miskito brothers, we must advise that this talkathon has been suspended, in view of the fact that the revolutionary government, as the administrator of the nation's resources, has already approved the (PALMA-PRI) general development program in principle. The period between the years 1982 and 1990 will involve a total investment of 385,707,500 cordobas. We have already mentioned some of the related figures.

In the next few days we will send 10,000 pairs of shoes for men, women and children and a similar number of pants, shirts, dresses and underwear. To this we must add 2,190 pairs of working rubber boots, kitchen utensils and working tools. In this manner, the inhabitants of Nicaragua's Pacific zone, the central and southern zone of Zelaya Department and the central part of the country will be helping, through the revolutionary government, to solve the Miskito brothers' problems and will be showing their solidarity.

Finally, we would like to say that through this generous and conscientious effort we will destroy the slander spread by the enemies of our revolution, who have sought to present the Miskitos as persecuted, assassinated and abused by the Sandinist people's revolution. In this manner, we will deny the infamous activities of those who, both from abroad and inside the country, have sought to manipulate this situation so as to hinder the progress and consolidation of our revolution.

The testimony given by religious leaders, priests, Latin American political leaders and U.S. congressmen, among others who have visited the settlements and have talked to their inhabitants attest to the revolution's efforts. Above all, these efforts have demonstrated respect for the religious beliefs, practices and customs of the Miskito Indians who used to live on the banks of Nicaragua's Coco River.

[Dated] Managua, 6 March 1982

Har of unity in the face of aggression

CSO: 3010/1044

RADIO CATOLICA DISAVOWS FORMER PRIEST'S REMARKS

PA071710 Managua LA PRENSA in Spanish 27 Feb 82 pp 1, 12

[Text] A new communique against the Episcopal Conference was broadcast yesterday and today by the government over a national radio and television network. All the radio stations, including Radio Catolica, which is the voice of the church, were forced to join that network in which the Episcopal Conference was attacked.

The "Network of Brotherhood," as the government called it, presented the testimony of an individual who said he was a Capuchin priest with many years of experience on the Atlantic coast. His name is Justiniano Lieb, of U.S. descent. He questioned the past actions of the Episcopal Conference, stating that the conference never issued statements against the Yankee economic aggression, the situation of the Miskitos during the Somozist era and their exploitation in the mines on the Atlantic coast.

Immediately after the network transmission, Radio Catolica clarified that Lieb is no longer a priest and that he left the priesthood 5 years ago to marry Maryknoll nun. Radio Catolica also commented that the former priest's statement was not religiously, but politically, oriented.

Father Carmelo Carballo [director of Radio Catolica] said that when he was a young man in the testimony of the former priest, he remembered the times during the Somozist dictatorship when the Radiodifusora Nacional used to broadcast in network the National Hour Program with attacks against the church.

Father Carballo said that it is contradictory for the government to give more credibility to the former priest than to the Episcopal Conference.

END 110610Z

RADIO SANDINO AGAINST U.S. BASE IN HONDURAS

PA071420 Managua Radio Sandino in Spanish 1800 GMT 6 Mar 82

[Station commentary]

[Excerpt] General Morazan, we are not invoking your name in vain. As we have been charging each day, the last details of the imperialist plan against the Central American peoples, particularly against El Salvador and Nicaragua, are being carried out to impose colonialism on us and to destroy the sovereignty of the peoples of the region, placing us under the yoke of the Reagan group.

In Honduras, the Revolutionary University Force, FUR; the Union of Workers of the Autonomous University of Honduras; the Union of Forest Cooperatives [Union de Cooperativas Forestales]; the Union of Newsmen; and other organizations that are members of the Honduran Council for Peace and Friendship with Nicaragua [Consejo Hondureno de la Paz y la Amistad Con Nicaragua] charged yesterday that on 7 March the Somozists will invade Nicaragua from their bases in Honduras and Miami, thus carrying out the aggression that the imperialists have been openly announcing.

Providing documents with specific facts and supplying names and places in Honduras, the Honduran Council for Peace and Friendship with Nicaragua did not hesitate to state that the Somozist forces will invade Nicaragua from (Kixayare) to Cabo Viejo, including (Tuibila) [sentence as heard]. This will be coordinated with reinforcements from Miami that will land in Puerto Cabezas and Bluefields.

It specifically indicated that the general headquarters of the counterrevolution is in Mocoron, Gracis a Dios Department in Honduras. It also said that the largest invasion will be through Zelaya Department, where the Somozists plan to establish a beachhead and to use it to request international recognition.

As will be recalled, there have also been reports of U.S. efforts to establish a base in Amapala, an island in the Gulf of Fonseca. Dr Suazo Cordova's government said last night that no negotiations have yet been held nor is there knowledge of any type of offer in this regard. After stating that the U.S. Government wants to make improvements in airfields in several countries

of the Caribbean Basin, including Honduras, the government said that no negotiations have yet been held in this regard.

If it is true or not that the Somozist gangs will again attack us from Honduras, or if it is true or not that the imperialists want to install aggressive bases against Nicaragua in Honduras, we are certain that they not only threaten our sovereignty with their plans but also threaten our friends to the north, their territorial integrity, their right to self-determination and national independence. An imperialist base anywhere in Honduras, a base of former Somozist guardsmen, is a dagger in the heart of the country because when foreign imperialist forces occupy a territory they eventually want to seize it and influence national decisions.

CSO: 3010/1044

BRIEFS

SMALL INDUSTRY PRODUCTION--According to official reports, small industry production amounts to 2.2 billion cordobas of the country's total industrial production of 12 billion cordobas. There are currently 4,090 small industrial firms whose activities generate employment for more than 10,000 workers. [PA071515 Managua Radio Sandino in Spanish 1800 GMT 6 Mar 82]

'LA PRENSA' ADMONISHED--The Communications Media Office publicly admonished LA PRENSA for publishing diversionist and mocking reports yesterday regarding the accusations made in the United States by Revolutionary Commander Jaime Wheelock Roman. The admonition was included in a letter sent to the newspaper's Director Pablo Antonio Cuadra. The Communications Media Office believes that the attitudes assumed by LA PRENSA hamper our government's peace efforts, threaten our country's security, encourage aggression against our people and in no way contribute to the unity of our people for their defense. In its resolution the Communications Media Office publicly admonishes LA PRENSA because of its unpatriotic attitude and warns that this office will not continue tolerating similar actions. [Text] [PA070229 Managua Radio Sanino in Spanish 1800 GMT 6 Mar 82]

CUBAN, SOVIET MERCENARIES--Our war correspondents in the Atlantic sector of the country have reported that Cuban and Russian mercenaries take an active part in the massacres and burning of towns in the areas of Northern Zelaya on our Atlantic coast. (Rocardo), our war correspondent in a sector of that large zone, has reported that dozens of Cuban and Russian mercenaries have been seen participating in the frontist hordes' massacres in that zone. These charges have been made by Miskito brothers who have been able to escape the genocide that the Marxist dictatorship is carrying out on our Atlantic coast. They also reported that these mercenaries are undoubtedly the ones who give the criminal orders to members of the armed Frontist Party's repressive apparatus. [Excerpt] [PA062123 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 6 Mar 82]

YUGOSLAVIA DONATION--Yugoslav Ambassador to Nicaragua (Frankiseck Ketucki) presented a donation valued at over \$20,000 to Silvia Maquiban, responsible for Yugoslavia in the FSLN International Relations Department. [PA071200 Managua International Service in Spanish 0030 GMT 7 Mar 82]

STATIONS SILENCED ON RATIONING--Sugar rationing intensified. Dictatorship orders radio stations to keep silent about this rationing. In the past few days rationing of sugar has intensified frightfully. The dictatorship is being forced to send more sugar to its Cuban masters to pay for the war materiel already sent to them. The rationing of sugar to Nicaraguans is mostly due to the increase in the monthly quota promised to Fidel Castro by the commanders. To silence the protests and avoiding discussions, the (?alarming) unsatisfaction and discontent which the rationing has generated in the country, the directorate of means of repression of the terror ministry has ordered all the radio stations of the country to refrain from broadcasting any information related to sugar rationing unless the information is provided by the mangy-dog sources. These new repressive measures of the dictatorship against freedom of information reinforces the large quantity of evidence of the worsening of the economic crisis of the usurpers of popular power. This sugar rationing is a specific example. [Text] [PA082141 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 8 Mar 82]

PRIVATE SECTOR ROLE--Managua, 10 Mar (ACAN-EFE)--Enrique Dreyfus, leader of Nicaraguan businessmen, today said that Nicaragua "has become a point of conflict between the East and the West" so it must be "removed" from this situation. Dreyfus, who is president of the Higher Council of Private Enterprise (COSEP) and the Nicaraguan Development Institute (INDE), said that if Nicaragua does not remove itself from the East-West conflict it "will be the victim of a situation out of our control." Dreyfus said that the businessmen support peace and progress which can only be achieved with national unity. He stressed that national unity can only be obtained in Nicaragua if there is respect for private property, the integrity of businessmen, the leaders of the Catholic Church, political pluralism, freedom of expression and unionization, in other words, the original plan of the Sandinist government. The business leader said that recent government measures including the incentives for exports are "positive" but he warned that those measures will not produce the expected results--an increase in the production or exports--if they are not accompanied by a "real program of economic reactivation." According to Dreyfus, the businessmen need "psychological security and social peace" as well as a "total" moratorium on the seizure of lands and confiscations "and an end to the businessmen's lack of defense in the face of contradictory laws." Dreyfus defended the role that the businessmen play in Nicaragua and he added that the country "cannot do without private enterprise" because "to do so would mean ruining the economy unnecessarily." [Text] [PA121540 Panama City ACAN in Spanish 1952 GMT 11 Mar 82]

FLEEING TO GUATEMALA--Yesterday, 62 Nicaraguans crossed the Honduran border and asked the authorities there for protection. They asked Honduran customs authorities to help them get to Guatemala, where they will ask Guatemalan authorities to grant them political asylum. These 62 Nicaraguans from Puerto Corinto said they were fleeing the FSLN dictatorship and that they managed to leave the country by using the excuse that they [were] going on a pilgrimage tour to Guatemala. Men, women and children of all ages are among the 62 Nicaraguans who fled their country. [Text] [PA131730 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 11 Mar 82]

LEADERS DENY CIA AID--Two spokesmen for the democratic sectors who appeared this morning together with representatives of the Patriotic Front of the Revolution [FPR] on a panel discussion program broadcast by a Managua radio station strongly denied an EL NUEVO DIARIO report that moderate Nicaraguan sectors have received economic assistance from the U.S. Central Intelligence Agency. Adolfo Calero Portocarrero, political secretary of the Democratic Conservative Party of Nicaragua; and Wilfredo Montalban, secretary general of the Social Democratic Party, made it clear during the roundtable discussion that the parties they represent have at no time received any economic assistance from any source and claimed, instead, that their parties are facing serious economic problems. Calero and Montalban engaged in a heated debate with members of the FPR, including (Eduardo Coronado Perez) and Adolfo Evertz, who raised the question during the roundtable, in which national political problems were also discussed. The democratic political leaders termed the report by EL NUEVO DIARIO, which allegedly quoted the NEW YORK TIMES, a gross lie. [Text] [PA141600 Managua Radio Corporacion in Spanish 2300 GMT 12 Mar 82]

OPPOSITION LEADERS THREATENED--Nicaraguan opposition political leaders have been threatened with death by the dictatorship's official media. Our intelligence services had previously informed us that these plans were being studied. These reports are now confirmed with the dictatorship's public threats against the leaders of the various democratic political parties. The Marxist commanders are now implementing those plans that our intelligence services reported. Those plans to assassinate the political opposition leaders are in their initial phase, that is, the phase that includes verbal threats and psychological preparation of the people so we will later accept these assassinations. It is important that we note that these plans to assassinate the main political opponents of the dictatorship are being implemented at a time when the democratic coordinating board no longer considers that the dialogues, forums or agreements with the armed frontist party are productive. It is at this time that the Marxist-Leninist news media has begun to carry out a large campaign of attacks and threats against the opposition leaders. They want to influence national public opinion so that when they commit their crimes, they will cowardly evade the responsibility. Radio 15 September, official voice of the Army of Independence, reports to the national and international public not only the existence of

those specific plans of the dictatorship to assassinate the independent political leaders but we also report to the world that the initial phase of those specific plans have already begun to be implemented. [Text] [PA141540 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 13 Mar 82]

U.S. BOOK DONATION--The sympathy of the U.S. people for the Sandinist struggle, which has been noted by Commander Jaime Wheelock, was made evident yesterday when books were given to the National Autonomous University of Nicaragua, Unam. Yesterday, the U.S. people, through Roger Gamble, charge d'affaires at the U.S. Embassy, delivered a large number of books to Unam. The books are worth more than \$2,000 and have enhanced the library at the university, which often does not have the means to provide adequate education. This is what Unam deputy rector said in describing the importance of the donation: [begin recording] This is undoubtedly a very positive contribution. We want to recall what Commander Wheelock said at a news conference yesterday. He said that a majority of the U.S. people sympathize with our struggle and our efforts and are prepared to cooperate in moving the Sandinist people's process forward. This contribution is very useful to us, because our library often does not have the means necessary to provide adequate education. [Question] How many books have been donated? [Answer] The donation, worth approximately \$2,700, includes technical and cultural books. The cultural books deal mostly with U.S. poetry. [end recording]. [Text] [PA130043 Managua Radio Sandino in Spanish 1800 GMT 12 Mar 82]

AGGRESSION ATTEMPTS -- Obeying the motto death to the invader, all of our people will participate in the defense of our country should it be attacked in the upcoming days, said Commander Carlos Nunez Tellez, member of the FSLN national leadership. Nunez was referring to threats of an eventual aggression against Nicaragua. Nunez Tellez, president of the State Council, made the statement at the Augusto Cesar Sandino International Airport shortly before leaving for Grenada to participate in the celebration of the third anniversary of that country's revolution. The Sandinist leader added that our people, the social base of our armed forces, will become the terror of all those adventurers who may try to meddle in Nicaraguan affairs. Questioned about the presence of U.S. troops in Costa Rica to conduct military maneuvers, Commander Nunez said that such a project is part of the warmongering maneuvers of Reagan's administration. The outcome of the Salvadoran situation shall be a determining factor because the warmongers opposed to the liberation of the Salvadoran people are capable of drowning in blood through an intervention the possibilities of victory of the Salvadoran guerrilla movement, he noted. The Sandinist leader did not discard the possibility that within the U.S. objectives against El Salvador there may be plans to attack Nicaragua, whose revolution is now in the process of consolidating. [Excerpt] [PA132135 Managua Radio Sandino Network in Spanish 1200 GMT 13 Mar 82]

CSO: 3010/1070

OFFICIAL PARTY HAILS NATIONAL GUARD CHANGES

PA051538 Panama City CRITICA in Spanish 5 Mar 82 p 17

[Statement issued by National Directorate of Democratic Revolutionary Party: "The Torrijista Program Goes On!"--no date given; slantlines denote boldface as published]

[Text] On 3 March /Aristides Royo/, constitutional president of the Republic of Panama, announced the decision to make changes in the high command of Panama's National Guard. The measure was adopted in accordance with the provisions of our country's political constitution and regulations governing the institutional and administrative activities of the Panamanian National Guard and in coordination with it.

The Democratic Revolutionary Party [PRD] sincerely expresses its recognition for the merits and worthy example set by the senior officers who have deservedly retired after long years of selfless and loyal service. Colonel Florez and Lieutenant Colonels Arauz and Bellido will always be remembered with gratitude and admiration because of their loyalty to /Gen Omar Torrijos Herrera/ and our people's patriotic causes throughout the entire revolutionary process.

In addition, the PRD congratulates Colonel /Paredes/ and Lieutenant Colonels Noriega and Diaz for their well-deserved promotions to higher positions within the general staff as well as Lieutenant Colonels Purcell, Mina, Castillo and Melo, who have now been transferred to augment and bolster the National Guard High Command. All of them were wrought under /Omar's/ teachings and example while on patrol duty with /Omar/ and while rendering services to our humble people at /Omar's/ side.

The decision announced by President /Royo/ further develops the line that General Omar Torrijos charted and strengthens compliance with it in order to advance the democratic institutionalization and development of the Panamanian revolutionary process and to watch over the patriotic interests of our people. This enhances our determination and enthusiasm to go forward with the process of organizing the PRD's broad foundations and participatory structures.

Onward, Panama.

[Signed] Gerardo Gonzalez, secretary general of the RPD Executive Committee.

CSO: 3010/1042

AUTHORITIES APPROVE ELECTORAL LAW AMENDMENTS

PA091608 Panama City MATUTINO in Spanish 4 Mar 82 p 10-4

[Article by Antonio Collins, Jr]

[Excerpts] The proposed electoral law "which amends Articles 20 and 26 of Law No 81 of 5 October 1978 and adds other provisions" was approved last night in a second round of debate during a session in which the representatives of five groups seeking registration as political parties under the present electoral law were allowed to speak.

The following is the complete text of the draft law approved in the second round of debates yesterday by the honorable National Legislation Council in a session chaired by Luis de Leon Arias, president of the Panamanian legislative body.

Law of 1982

Which amends Articles 20 and 26 of Law No 81 of 5 October 1978 and adds other provisions.

The National Legislation Council decrees:

Article 1. Article 26 of Law No 81 of 5 October 1978 will read as follows:

"Article 26. Registration will be effected in duly numbered books assigned by the electoral tribunal. The registration books should have the necessary reserved lines and spaces to list the name of the individual, his identity card number, sex, residence and the signature of the registered member and of the voting registry [as published]."

Article 2. Article 20 of Law No 81 of 5 October 1978 will read as follows:

"Article 20. Every citizen is free to register in the party of his choice, but may do so only once during a simple electoral period in which a president of the republic is chosen. In order to register, he must personally appear before the respective electoral registrar, located in a public office or a public place that meets the conditions for that purpose. These places will be set up by the electoral tribunal and may not be in private residences.

The individual must present his identity card and supply the details necessary for his registration, which will be completed with his signature and that of the registrar. Registration will take place during the day. A withdrawal must be expressed in writing to the electoral tribunal. They will accept it only after completion of the electoral period for the election of a president of the republic and will inform the respective political party of this in writing. A withdrawal cannot be made at any time. In the event that a person has registered in more than one party, only the first registration will be considered valid."

Article 3. Political parties that are registered or in the process of registration will have the right to oversee the electoral tribunal's examination or recount of the registered members, in accordance with the preceding provisions.

Article 4. Any citizen who pays for a registration or vote will be classified as a political criminal and will be barred [from elected office] by the electoral tribunal for 15 years in accordance with the respective procedure.

Article 5. This law is declared public and will go into effect on 5 March 1982.

Release and publish

Issued in the city of Panama on 3 March 1982.

CSO: 3010/1042

FOREIGN MINISTER BACKS CANAL WORKERS' DEMANDS

PA100450 Panama City Televisora Nacional in Spanish 1730 GMT 8 Mar 82

[Excerpt] Representatives of Local 907 met this morning with Foreign Minister Jorge Illueca. The purpose of the meeting was to discuss the workers' positions stated during a demonstration in front of the Foreign Ministry on 11 February.

The meeting was also attended by Vice Minister (Jose Maria Cabrera Filos).

According to Minister Illueca, the positions of the national government and the workers agree. On this basis, Illueca said, we have already initiated efforts to find a solution to the main problems reported by the workers.

The problems include anti-Panamanian discrimination by the so-called Panama area base wage system.

It has been estimated that if this system is implemented during the 20 years that the treaty will be in effect, Panama's economy would fail to receive approximately \$4 billion.

Average salary deductions until now vary between 17 and 25 percent. The Foreign Ministry says that there must be a single and discrimination-free salary policy that should contribute to good management-labor relations and to the efficient and secure functioning of the canal. This salary policy would include the Canal Commission personnel and the civilian personnel hired by the U.S. armed forces.

Another problem mentioned by the workers is currently being negotiated: The withholding of the second installment of the 13th month, which represents several million balboas for the workers.

They also discussed the medical services collective premium hikes. These premiums increased by 89 percent as of January. According to the Panamanian Government, this increase represents a deterioration of working conditions. This goes against treaty stipulations; neither is it provided for by Panama's labor legislation.

Minister Illueca said that the government also favors the search for solutions to other conditions that affect the labor sector and Panama's social and economic development.

The desired conditions include the following: The establishment, with Panamanian participation, of rules for contracting personnel and fixing their job descriptions, within both the Canal Commission and the armed forces; the growing participation of Panamanian citizens in all levels of the commission; the elimination of the so-called sensitive positions; the reduction of the skilled labor force from the United States and other countries, to comply with the stipulation calling for a reduction of foreign personnel and growing participation of the Panamanians; cost-of-living salary adjustments; and, finally, the return of the tax factor [as heard].

CSO: 3010/1042

INTERIOR MINISTER ON AYACUCHO ATTACK, DEATH SENTENCE

Attack on Prison

PY092026 Buenos Aires TELAM in Spanish 0230 GMT 8 Mar 82

[Report by Maximo Torres]

[Excerpts] Lima, 8 Mar (TELAM)--Interior Minister Lt Gen (Ret) Jose Gagliardi has said that the terrorist attack in the Ayacucho prison, where at least 12 persons were killed and 300 inmates escaped, was the first guerrilla action carried out under the present constitutional government.

However, unlike other attacks launched in the past, the guerrillas avoided a direct confrontation with the police. Instead, the guerrillas dispersed and vanished after the violent assault on the Ayacucho prison. Ayacucho is located 750 km southeast of Lima.

Gagliardi said that under these circumstances the traditional concept of guerrilla warfare should be changed based on this event, because it resembled the work of a terrorist commando, which is organized in order to achieve a specific goal.

While police actions were today still under way in different parts of Ayacucho Department, the population was still frightened by the rattle of machinegun fire used to disperse groups of people who remained at the corners during curfew hours.

Forty prison inmates who had escaped--common criminals and alleged terrorists--have thus far been recaptured. The minister said that 15 of the recaptured inmates voluntarily reported back to the prison.

Death Sentence

PY232211 Paris AFP in Spanish 0039 GMT 23 Feb 82

[Text] Lima, 22 Feb (AFP)--Peruvian Interior Minister Gen Jose Gagliardi stated here today that he favors reestablishing the death sentence for terrorists and common criminals. The death sentence was abolished by the 1980 constitution, which provides for it only in cases of treason to the fatherland during a war with another country.

Several high ranking authorities requested a reform of the constitution to reestablish this sentence about 1 and 1/2 years ago, when terrorism reappeared, but no practical move was made in this regard.

The need to reestablish the death penalty was brought up once again during the past few weeks, due to the wave of violence which resulted in the death of some policemen, but there are many authorities and legislators opposed to it.

General Gagliardi is the first minister to support this constitutional reform but he also admitted that delinquency--like terrorism--has decreased, thanks to the action of the police forces.

CSO: 3010/1036

TERRORIST ACTIVITIES CONTINUE TO ESCALATE

Prisoners Killed

PY012108 Paris AFP in Spanish 2024 GMT 1 Mar 82

[Text] Lima, 1 Mar (AFP)--Four prisoners were killed last night in the Ayacucho prison, in Peru's central-south Andes region, in a spectacular attempt at a massive breakout organized by terrorists, it was learned today in Lima.

The incident occurred a few days after a similar attempt carried out by highly-dangerous criminals who had been brought from Lima, in which eight of them died in a shootout with prison guards.

After taking an employee hostage last night the terrorists cut the telephone line and set off dynamite charges inside the prison, while the city was blacked out by the blowing up of a high-tension tower.

In the midst of the darkness the police had to call on all their resources, killing four prisoners, two of whom are accused of being terrorists, while others--whose numbers are still unknown--were able to escape.

The situation returned to normality about midnight when the police set up patrols throughout the city, after 5 hours of anxiety.

Police Station Bombed

PY091329 Lima Radio Union in Spanish 1130 GMT 9 Mar 82

[Text] Several sticks of dynamite exploded at a police station lockup in Huaraz, shortly after 12 alleged terrorists who were under arrest there were taken to the Huaraz prison. The possible escape of the detainees was thus prevented. The attack was perpetrated at about 2000 against the cells located on the first floor of the courthouse, in the second block [words indistinct]. The explosions destroyed the section for male detainees and a window looking over the street.

The 12 [words indistinct] of the Shining Path extremist group had been transferred to the Huaraz prison as a safety measure in view of the recent events in Ayacucho.

Terrorist Attacks

PY071935 Buenos Aires TELAM in Spanish 2000 GMT 6 Mar 82

[Text] Lima, 5 Mar (TELAM)--A civil guard in the service of the Chilean Embassy, located in the residential district of San Isidro, was attacked by two men and a woman who beat him up and stole his submachinegun.

The attack occurred last night and despite the intervention of a lieutenant of the investigations police who helped the guard, the assailants were able to flee.

Meanwhile, terrorist elements threw five incendiary bombs in the Engineering University, causing serious damages. The six attackers overpowered a guard and then threw the bombs.

In Ica, about 350 km south of Lima, the fifth attack of the year occurred when a dynamite charge exploded in the local office of the Regional Housing Directorate.

Shining Path Terrorist Captured

PY272137 Buenos Aires TELAM in Spanish 1555 GMT 27 Feb 82

[Text] Lima, 27 Feb (TELAM)--The police reported today the capture of one of the main leaders of the Maoist group Shining Path together with eight others, among whom are three women, who had carried out subversive operations in the Huancayo area in Junin Department, east of Lima.

Police spokesmen added that a large amount of subversive literature, low-frequency communication sets, battledress uniforms and other material were found and that those detained confessed to having participated in terrorist activities.

The most prominent among those detained is Abimael Gusman Renoso, alias Comrade Gonzalo, a former professor at San Cristobal University in Huamanga, looked upon as the brains behind Shining Path. Guzman Renoso had been sought by the police for a long time.

Alleged Terrorists Killed

PY262114 Paris AFP in Spanish 0319 GMT 26 Feb 82

[Text] Lima, 25 Feb (AFP)--It was reported in Lima this afternoon that two alleged terrorists were killed today in Ayacucho, in south-central Peru, when they tried to take over a state-owned dynamite depot.

It was stated that some 15 to 20 individuals, who were trying to look like a group of revelers, tried to take over the depot located on the outskirts of Ayacucho City, the capital of Ayacucho Department.

The dynamite belonged to the Transport Ministry and was being guarded by two policemen. They ordered the intruders to halt, but when their orders were not obeyed, a shootout between the two parties broke out and the would-be dancers fled. Two of the intruders died during the exchange of gunfire.

Police Post Attacked

PY261151 Buenos Aires TELAM in Spanish 1730 GMT 20 Feb 82

[Text] Ica, Peru, 20 Feb (TELAM)--Presumed terrorist elements last night set afire the civilian guard post in Los Aquijes, causing serious burns to a policeman and partially burning the furniture while the equipment was destroyed.

The police reported that, taking advantage of the darkness, the terrorists poured gasoline on the walls and door of the post and set fire to it, escaping immediately. The guard on duty, Demetrio Orozco Salcedo, tried to put out the fire and suffered first and second degree burns in his face and arms.

Police officers in that department, south of Lima, mobilized troops to capture the perpetrators of the attack, which is the third one carried out on police posts in this department during the past 5 months.

Subversive Group Captured

PY230214 Buenos Aires TELAM in Spanish 1800 GMT 18 Feb 82

[Text] Huancayo, Peru, 18 Feb (TELAM)--It was reported today that the Peruvian Investigative Police [PIP] have broken up a terrorist organization that has been operating in the central region of the country since last year. The group reportedly carried out 25 attacks. Police reports picked up in this city, located to the east of Lima, state that the group had created people's schools to train terrorists.

Col Walter Celis Rojas, departmental police chief, has said that the entire organization has been neutralized and that eight leaders and one liaison officer have been captured. He added that during the operations a large quantity of subversive propaganda, maps of cities indicating their most important points and homemade formulas for the manufacture of explosives were confiscated.

Celis said that terrorist schools have been discovered in two places in the department and that the existence of three more is known.

The people who have been arrested, the police chief added, belong to the Central Committee of the Shining Path Group, which has Maoist leanings. He also said that Abimael Guzman Reinoso, allegedly the group's chief in this department and a teacher at Huamanga University, and two women are still at large.

CSO: 3010/1035

BRIEFS

BALANCE OF PAYMENTS DEFICIT--Lima, 25 Feb (TELAM)--The National Statistics Institute reported that the 1981 Peruvian balance of payments produced a deficit of \$583.9 million. [Buenos Aires TELAM in Spanish 2111 GMT 25 Feb 82]

BANK RESERVES--Brian Jensen Rubio, general manager of the Central Reserve Bank [BCR] reported yesterday that the BCR's net international reserves totaled \$730 million in January 1982. [Lima EL COMERCIO in Spanish 3 Feb 82 p A 10]

NEW AIR FORCE PLANES--According to a 23 January report, the Peruvian Air Force has acquired two 4-turbine DC-8 jets which can carry 187 passengers each or 20 tons of load if used exclusively as cargo planes. [Lima EL COMERCIO in Spanish 24 Jan 82 p A 22]

BELAUNDE ACCEPTS HEALTH MINISTER'S RESIGNATION--Lima, 12 Feb (AFP)--Peruvian President Fernando Belaunde accepted today the resignation of Health Minister Uriel Garcia who had submitted his resignation at the end of last year. Upon leaving Government House after his resignation had been accepted, Garcia noted that the health sector had been the target of several cruel and even dramatic incidents, such as a long doctors' strike. He also said that his administration had been severely criticized, but that he was satisfied with what had been achieved. Regarding Garcia's replacement, Prime Minister Manuel Ulloa noted that the government will start the proper investigations. He also praised Garcia's effectiveness and loyalty. [Text] [PY122335 Paris AFP in Spanish 1935 GMT 12 Feb 82]

FOREIGN MINISTRY UNDER SECRETARY RESIGNS--Lima, 19 Feb (AFP)--Foreign Minister Javier Arias Stella announced here today that the Peruvian Government has accepted the resignation of Foreign Ministry Under Secretary Jorge Morelli Pando. He added that Morelli has been transferred to the diplomatic service. The foreign minister did not explain the reasons for Morelli's resignation, but it is believed in this capital that it came as a consequence of the criticism from various sectors, including Vice President of the Republic Javier Alva, concerning the attitude of the Peruvian delegation regarding the voting on sanctions against Israel at the UN General Assembly 2 weeks ago. [Excerpt] [PY201411 Paris AFP in Spanish 0412 GMT 20 Feb 82]

NEW FOREIGN MINISTRY UNDER SECRETARY--Lima, 26 Feb (AFP)--Jose Carlos Mariategui, Peruvian ambassador to Ecuador, today was appointed secretary general (vice minister) of the Foreign Ministry. The announcement was made this morning. Mariategui will replace Jorge Morelli who resigned at the request of Foreign Minister Javier Arias in the wake of internal repercussions of the Peruvian vote against Israel on 5 February. [Text] [PY262201 Paris AFP in Spanish 1913 GMT 26 Feb 82]

CRISIS IN TROTSKYITE GROUP--A serious schism has erupted within Trotskyite groups as the Marxist Workers Revolutionary Party [POMR] Politburo refused to accept Ricardo Napuri's withdrawal of his resignation as POMR secretary general. The POMR Politburo contends that the current secretary general is (Jorge Villaraz) since Napuri resigned his post in November 1981 and that it will be the POMR National Congress--which will convene from 12 to 14 March--which will decide the issue. It has been reported that the records of the electoral tribunal clearly indicate that (Villaraz) is the POMR secretary general and thus Napuri cannot resume his post as secretary general after 2 [as heard] years. [Text] [PY062000 Tacna Radio Tacna in Spanish 1200 GMT 6 Mar 82]

REGIONAL ARMS RACE OPPOSED--Lima, 22 Feb (TELAM)--President Fernando Belaunde has stated that he opposes the arms race which, he said, disrupts the development of Peru, Chile and Ecuador. The head of state asserted that Peru has no aggressive intentions against any of its neighbors and is not willing to commit any act which may later [endanger] the international legal status of the treaties which have been signed with these countries. Belaunde's assertions are related to recent reports on the purchase by Chile of two powerful missile boats [misileras] which will be reportedly delivered soon and to Ecuadorean negotiations to purchase Israeli KFIR planes, with U.S. engines, and other missile boats. While Belaunde condemned the arms buildup, Gen Carlos Desgroux, commander of the Chilean Air Force Logistic Command, asserted in Santiago that the United States could not sell F-16 fighter planes to Peru because it would cause an imbalance in the strategies of our countries. He added that, in his opinion, the reason for this is that the United States is more interested in promoting the social development and growth of our countries than in causing a military imbalance. [Text] [PY260258 Buenos Aires TELAM in Spanish 1725 GMT 22 Feb 82]

CSO: 3010/1037

END

END OF

FICHE

DATE FILMED

April 23, 1982